

FOCUS BALANCE SCALE

POSITIONED FOR GROWTH



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CORPORATE PROFILE

CapitaLand is one of Asia’s largest real estate companies. Headquartered and listed in Singapore, the company’s businesses in real estate and real estate fund management are focused on its core markets of Singapore and China.

The company’s diversified real estate portfolio primarily includes homes, offices, shopping malls, serviced residences and mixed developments. The company also has one of the largest real estate fund management businesses with assets located in Asia. CapitaLand leverages its significant asset base, real estate domain knowledge, product design and development capabilities, active capital management strategies and extensive market network to develop real estate products and services in its markets.

The listed entities of the CapitaLand Group include Australand, CapitaMalls Asia, Ascott Residence Trust, CapitaCommercial Trust, CapitaMall Trust, CapitaMalls Malaysia Trust, CapitaRetail China Trust and Quill Capita Trust.

MISSION & VISION

To build a world-class company, with an international presence and a strong global network, that is managed by people whose core values are respected by the business and social community to:

- Create sustainable shareholder value
- Deliver quality products and services
- Attract and develop quality human capital

CORE VALUES

- Our people are our strength. We build people to build for people.
- We are committed to the highest standards of integrity.
- We have the courage to do what is right and the will to succeed.
- We add value to what we do through innovation and continuous improvement.
- We are fair and reasonable in all our actions and dealings with business partners, customers and colleagues.
- We contribute to the well-being of the community.

FINANCIAL HIGHLIGHTS FY2012

PROFIT ATTRIBUTABLE TO SHAREHOLDERS
S\$930.3 million
EARNINGS BEFORE INTEREST AND TAX
S\$2.02 billion
RETURN ON SHAREHOLDERS’ FUNDS
6.2%
RETURN ON TOTAL ASSETS
5.2%
GROUP MANAGED REAL ESTATE ASSETS
S\$63.8 billion
REVENUE UNDER MANAGEMENT
S\$7.3 billion
MARKET CAPITALISATION
S\$15.7 billion

5-YEAR FINANCIAL SUMMARY

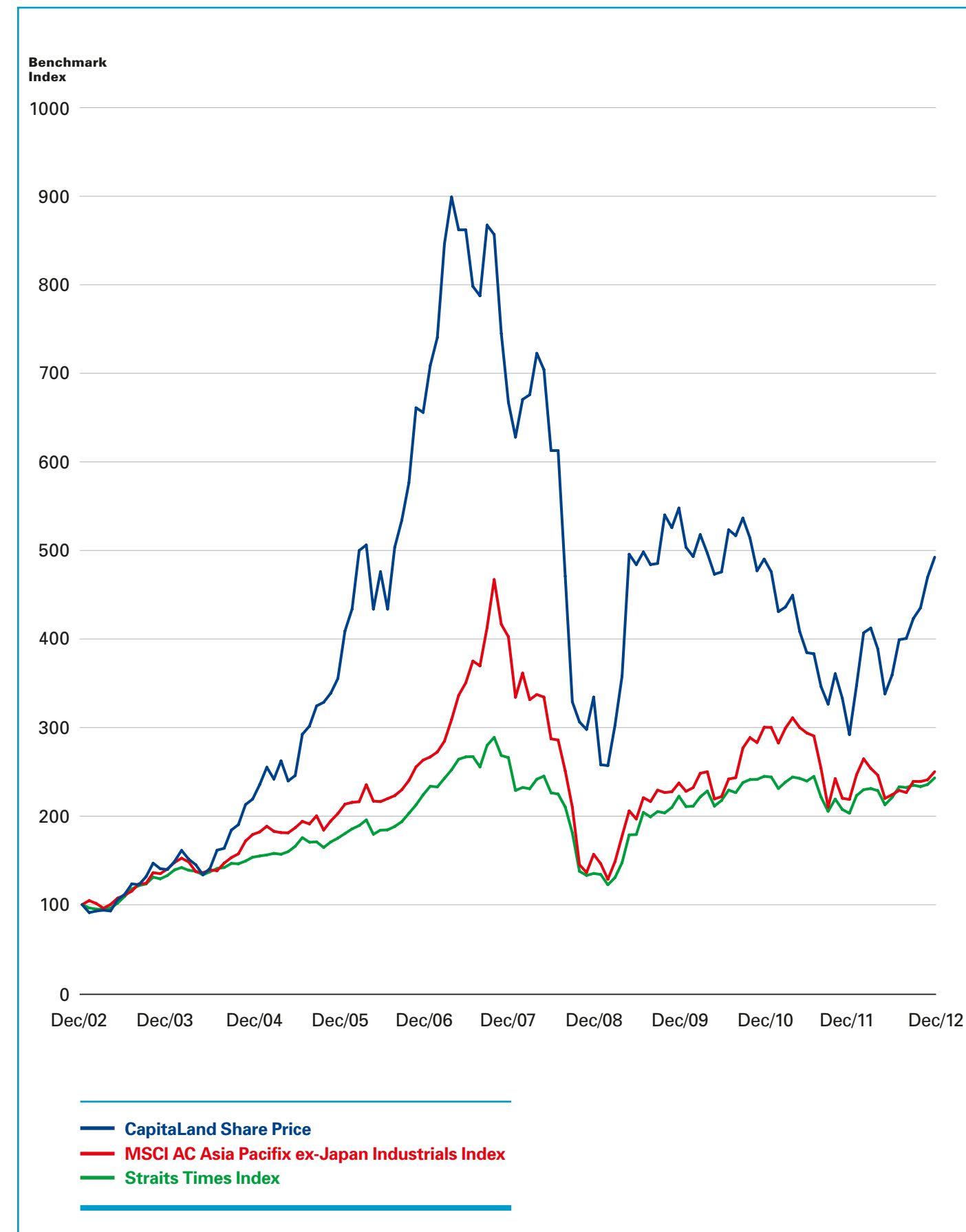
	2008	2009	2010 (Restated)	2011	2012
(A) INCOME STATEMENT (\$S million)					
Revenue by SBUs					
CapitaLand Residential Singapore	400.2	673.8	1,284.9	774.1	854.3
CapitaLand China Holdings	330.3	647.0	327.2	526.6	404.1
CapitaLand Commercial ⁽¹⁾	227.9	144.9	142.9	96.7	86.5
The Ascott Limited	441.8	393.7	407.4	377.5	381.7
CapitaValue Homes ⁽¹⁾	—	—	0.1	80.3	3.9
CapitaLand Financial	182.2	162.2	116.2	103.3	114.1
CapitaMalls Asia	206.7	228.9	245.4	246.2	353.7
Australand	984.3	732.5	879.8	836.4	1,131.7
Others	(21.1)	(25.6)	(20.5)	(21.5)	(28.6)
Total	2,752.3	2,957.4	3,383.4	3,019.6	3,301.4
Earnings Before Interest and Tax (EBIT) by SBUs					
CapitaLand Residential Singapore	175.0	371.7	514.0	327.4	328.2
CapitaLand China Holdings	883.4	551.2	648.9	423.7	322.8
CapitaLand Commercial ⁽¹⁾	395.6	(497.4)	250.2	189.6	174.2
The Ascott Limited	132.2	31.4	173.0	148.4	163.2
CapitaValue Homes ⁽¹⁾	—	—	(20.5)	(12.9)	(80.9)
CapitaLand Financial	90.4	98.0	103.0	80.0	67.8
CapitaMalls Asia	298.6	449.1	603.4	597.0	676.2
Australand	169.6	(240.8)	311.9	324.2	357.3
Others	68.7	785.8	0.6	9.2	8.6
Total	2,213.5	1,549.0	2,584.5	2,086.6	2,017.4
Net Profit attributable to Shareholders	1,260.1	1,053.0	1,425.7	1,057.3	930.3
(B) BALANCE SHEET (\$S million)					
Investment Properties	4,848.9	5,058.5	4,732.9	7,074.6	7,969.4
Development Properties for Sale and Stock	3,347.2	3,590.2	5,667.1	6,905.1	7,510.1
Associates and Joint Ventures	7,864.6	8,684.2	10,048.8	10,685.0	12,511.3
Cash and Cash Equivalents	4,228.4	8,729.7	7,190.1	6,264.5	5,497.7
Other Assets	4,794.5	4,103.4	4,248.2	4,390.3	4,299.1
Total Assets	25,083.6	30,166.0	31,887.1	35,319.5	37,787.6
Equity attributable to owners of the Company	10,681.7	13,408.3	14,031.9	14,901.6	15,080.4
Total Borrowings	9,829.3	10,312.6	10,358.0	12,190.6	14,179.8
Non-controlling Interests and Other Liabilities	4,572.6	6,445.1	7,497.2	8,227.3	8,527.4
Total Equities & Liabilities	25,083.6	30,166.0	31,887.1	35,319.5	37,787.6
(C) FINANCIAL RATIOS					
Earnings per share (cents)	37.0	26.2	33.5	24.8	21.9
Net Tangible Assets per share (\$S)	3.57	3.03	3.18	3.40	3.44
Return on Shareholders' Funds (%)	12.2	8.7	10.5	7.3	6.2
Return on Total Assets (%)	7.9	5.5	7.7	5.9	5.2
Dividend					
Ordinary dividend per share (cents)	5.5	5.5	6.0	6.0	7.0
Special dividend per share (cents)	1.5	5.0	—	2.0	—
Total dividend per share (cents)	7.0	10.5	6.0	8.0	7.0
Dividend cover (times)	4.2	2.4	5.6	3.1	3.1
Debt Equity Ratio (net of cash) (times)	0.47	0.09	0.18	0.31	0.45
Interest Cover (times)	5.50	4.54	7.63	5.72	5.50

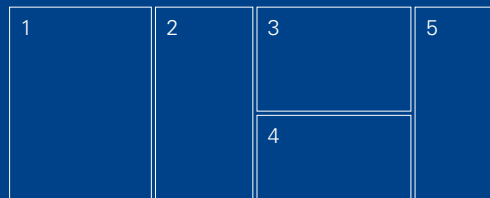
Note:

For changes in accounting policies, adoption of new and/or revised accounting standards, as well as changes in the presentation of financial statements for the respective financial year under review, only the comparative figures for the previous year were restated to conform with the requirements arising from the said changes or adoption.

⁽¹⁾ With effect from 1 January 2011, the residential business in Vietnam is reported under CapitaValue Homes and no longer under CapitaLand Commercial.

SHARE PRICE PERFORMANCE





1 **SKY HABITAT**

2 **ASCOTT RAFFLES PLACE SINGAPORE**

3 **THE STAR VISTA**

4 **BEDOK MALL & BEDOK RESIDENCES**

5 **CAPITAGREEN**

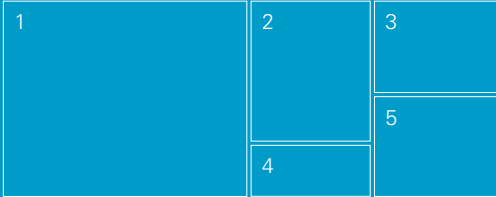
SINGAPORE HUB OF ASIA

CapitaLand is well-positioned to leverage opportunities in Singapore's next phase of development. In addition, Singapore's strategic location will allow CapitaLand to tap any opportunities in the region's emerging markets.



CHINA ENGINE OF GROWTH

The fundamentals of urbanisation, economic growth, aspirations of the growing middle-class and improving infrastructure will underpin the housing industry in China. We want to continue to be a part of China's urbanisation and growth story.



1 RAFFLES CITY CHONGQING

2 CAPITAMALL WUSHENG, WUHAN

3 ASCOTT RAFFLES CITY CHENGDU

4 THE FLORAVALE, SHANGHAI

5 BEAUFORT, BEIJING



LETTER TO SHAREHOLDERS



LIM MING YAN
PRESIDENT & GROUP CEO

NG KEE CHOE
CHAIRMAN

DEAR SHAREHOLDERS,

CapitaLand registered a commendable set of financial results for the year ended 31 December 2012, posting net profit after tax and minority interests of S\$930.3 million and revenue of S\$3.3 billion, amidst global economic uncertainties.

In 2012, the Group delivered better than expected residential sales in Singapore and China, and opened two new shopping malls in Singapore and seven in China. During the year, CapitaLand continued to invest in new projects amounting to S\$4.06 billion. Between 2010 and 2012, it committed approximately S\$21.0 billion of new investments, positioning the Group well to ride the growth in Asia. About 90% of these investments are focused in Singapore and China. Despite a high level of investment activities, the Group maintains a robust balance sheet through its capital recycling model and prudent capital management.

To position for the future, CapitaLand simplified its organisational structure in 2013 into four main businesses – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia Limited (CMA) and The Ascott Limited (Ascott). By consolidating its key residential, office and mixed development businesses into two integrated country-centric structures – CapitaLand Singapore and CapitaLand China, the Group will be better able to drive its growth in these two core markets. Shopping mall and serviced residence businesses in all markets including Singapore and China continue to be spearheaded by CMA and Ascott respectively. This will allow CMA and Ascott to deepen their product expertise and maximise the international network effect inherent in both businesses. The Group has also streamlined its Chinese name to “凯德集团” (Kǎi Dé Jí Tuán) since the beginning of 2013. This allows the Group to better leverage its brand recognition in both China and Singapore.

STRATEGIC FOCUS ON SINGAPORE AND CHINA

CapitaLand is confident of the long-term prospects of the real estate markets in Singapore and China, two markets that are underpinned by strong economic fundamentals, growing population, rising disposable income and improving consumption patterns. In both markets, CapitaLand has built up strong capabilities spanning the full real estate value chain from land acquisition, development, operation to capital management. The Group has a strong track record and enjoys a high level of brand recognition.

As at end 2012, CapitaLand’s businesses in Singapore accounted for S\$11.3 billion or 33% of the Group’s total assets (excluding treasury cash). This diversified portfolio spans across homes (31%), offices and mixed developments (19%), shopping malls (40%), serviced residences (5%), financial services (2%) and others (3%). Singapore was CapitaLand’s most profitable market in 2012, with EBIT contribution of S\$893.8 million, or 44% of total Group EBIT.

As at end 2012, China accounted for S\$13.4 billion or about 39% of the Group’s overall balance sheet in terms of assets. CapitaLand’s China portfolio is diversified across the following sectors: homes (33%), shopping malls (35%), mixed developments (23%), serviced residences (6%) and others (3%). China is also CapitaLand’s second most profitable geography after Singapore, with EBIT contribution of S\$658.4 million, or 33% of total Group EBIT in 2012.

S\$21.0b

New Investments

Between 2010 and 2012, it committed approximately S\$21.0 billion of new investments, positioning the Group well to ride the growth in Asia

S\$11.3b

Assets in Singapore

As at end 2012, CapitaLand’s businesses in Singapore accounted for S\$11.3 billion or 33% of the Group’s total assets (excluding treasury cash)

LETTER TO SHAREHOLDERS

**CapitaLand Singapore
is CapitaLand's main
business unit for
residential, office and
mixed development
businesses in Singapore**

CAPITALAND SINGAPORE

CapitaLand Singapore is CapitaLand's main business unit for residential, office and mixed development businesses in Singapore.

In the residential sector in Singapore, market sentiments were affected by additional rounds of cooling measures introduced in October 2012 and January 2013. These measures were principally aimed to curb speculative demand. Amidst these challenges, the Group launched Sky Habitat in Bishan and new phases of d'Leedon and achieved total sales value of S\$1.3 billion in 2012, comparable to a year ago. The number of units sold was 19% lower at 681 homes.

In 2012, CapitaLand acquired two pieces of land, increasing its residential pipeline to approximately 2,800 units. The first acquisition from Ascott REIT is a prime mixed development site in Cairnhill, where CapitaLand plans to build about 270 residential units for sale. The second site acquired from the Government is an adjoining plot to Sky Habitat in Bishan where a 700-unit condominium is planned.

For 2013, the Group plans to progressively release new phases at d'Leedon and The Interlace, and launch a freehold 150-unit seafront condominium project in East Coast, and its second Bishan site, subject to market conditions. The Group intends to expand its residential pipeline via selective government land tenders as the long-term prospects of the Singapore housing market remain attractive.

In the commercial sector, office outlook is cautious over the short-term due to slower economic growth prospects. The situation is, however, mitigated by limited new supply, estimated to be less than one million square feet per annum, within the Central Business District (CBD) between 2013 and 2015. The rate of market rental decline within the office sector in the CBD has eased since mid 2012 and is poised for recovery over the next 12 months. CapitaLand's income generating commercial and mixed development portfolio is held under our associate, CapitaCommercial Trust (CCT). The newly acquired Twenty Anson contributed to CCT's earnings from March 2012. CCT will focus on active portfolio management, capital recycling and yield accretive acquisitions in 2013. The Group is positive about CapitaGreen at Market Street and Westgate Tower in Jurong East, as both projects are slated for completion in 2014 when new office supply is expected to be low.

As an extension of our Singapore business, CapitaLand has made its maiden direct large scale mixed development investment in Danga Bay A2 Island in Iskandar, Malaysia. The Group will hold a 51% stake in the project and lead in master planning and project management of the approximately 3.1 million square feet of freehold net land. The total gross development value of the project is estimated at MYR8.1 billion (S\$3.2 billion) for 11 million square feet of total gross floor area. We envisage a premier waterfront residential development comprising high rise and landed homes on the island, complemented with marina, shopping mall, F&B outlets, offices and serviced residences. Development duration is projected at between 10 to 12 years.

CAPITALAND CHINA

CapitaLand China is CapitaLand's main business unit for residential, office and mixed development businesses in China.

**CapitaLand has made
its maiden direct large
scale mixed development
investment in Danga
Bay A2 Island in
Iskandar, Malaysia**



d'LEEDON
SINGAPORE



TWENTY ANSON
SINGAPORE

In the residential market in China, the Chinese government had implemented policies to moderate real estate prices. Homebuyers who initially adopted a 'wait and see' attitude returned to the market from April 2012, following two rounds of interest rates easing by the People's Bank of China and price discounts from developers. In 2012, CapitaLand sold over 3,000 units and achieved a total sales value of RMB7.0 billion (S\$1.4 billion). These figures compared favourably to the 1,466 units sold with a sales value of RMB2.9 billion (S\$0.6 billion) in 2011. The Loft in Chengdu, Dolce Vita in Guangzhou and iPark phase 1, the residential component of Raffles City Shenzhen, contributed much to the success.

Revenue and earnings recognition for 2012 decreased compared to the previous year due to lower divestment gains and fewer completions handed to homebuyers. CapitaLand handed over 1,995 units to homebuyers in 2012, a 40% year-on-year decline compared to 2011.

During the year, CapitaLand secured a residential site in Shanghai. The Group's development pipeline now stands at approximately 28,000 homes with a gross floor area in excess of three million square metres.

Three new residential projects, namely Vermont Hills in Beijing, Summit Residences in Ningbo and The Lakeside in Wuhan, will be launch-ready in 2013. In addition, the boutique apartments at Raffles City Chengdu, together with subsequent phases from existing projects such as The Loft, Dolce Vita and Imperial Bay will also be planned for release. Collectively, about 4,000 housing units are scheduled for launch with an estimated value of RMB6.0 billion. Separately, CapitaLand is on schedule to hand over some 3,000 residential units from Beaufort in Beijing, Imperial Bay, Dolce Vita and The Loft to homebuyers in 2013.

RMB7.0b Total Sales Value

**In 2012, CapitaLand sold
over 3,000 units and
achieved a total sales
value of RMB7.0 billion**

LETTER TO SHAREHOLDERS

S\$12.0b Portfolio Value

The Group's current portfolio of eight Raffles City projects in China boasts a portfolio value of S\$12.0 billion when completed

The Group's current portfolio of eight Raffles City projects in China boasts a portfolio value of S\$12.0 billion when completed, and total floor area of over 2.9 million square metres of prime commercial space. These eight Raffles City mixed developments span across Beijing, Chengdu, Ningbo, Hangzhou, Shenzhen, Chongqing and Shanghai.

Of the eight Raffles City projects, the ones in Shanghai, Beijing and Ningbo are fully operational, Chengdu is slated to be fully operational at the end of 2013, while the remaining four in Hangzhou, Shenzhen, Changning in Shanghai and Chongqing, are in various stages of development. The Raffles City developments in Shanghai and Beijing are performing well, with occupancy exceeding 90%. Net property yield on cost for Raffles City Shanghai and Beijing stood at 15.8% and 11% respectively at the end of 2012. Raffles City Chengdu and Raffles City Ningbo commenced mall operations in late September 2012. Committed leasing rates of the shopping mall at both Chengdu and Ningbo are in excess of 80%. On the back of improved Net Property Income (NPI) generated for the Raffles City portfolio, CapitaLand registered higher revaluation gains, which mitigated the lower divestment gains from the residential sector.



RAFFLES CITY BEIJING
CHINA

CAPITAMALLS ASIA

CMA is CapitaLand's business unit for the shopping mall business. It is listed on the Singapore Stock Exchange and Hong Kong Stock Exchange.

At the end of 2012, our shopping mall portfolio comprised 101 malls valued at S\$31.7 billion. The financial performance of the core retail business improved on its rental income, property and fund management fees, and better leasing commissions, as well as higher divestment gains from the recycling of CapitaMall Tianfu and CapitaMall Meilicheng into a private equity fund. This was, however, partially offset by lower fair value gains from its portfolio revaluation in China.

The Singapore shopping mall portfolio comprised 19 malls valued at S\$14.8 billion. Of the 19 malls, 15 malls are held by our associate CapitaMall Trust (CMT). The remaining four malls, ION Orchard, The Star Vista, Bedok Mall and Westgate, are held directly by CMA. In 2012, our malls in Singapore registered tenants' sales growth of 2% while shopper traffic remained stable. Core operational earnings from the Singapore portfolio were lifted by contributions from The Star Vista and JCube, the two new malls that became operational, as well as Bugis+ and The Atrium@Orchard, the two malls that successfully underwent asset enhancement in 2012. Divestment gains from the sale of Hougang Plaza by CMT also boosted the bottomline.

At the end of 2012, our shopping mall portfolio comprised 101 malls valued at S\$31.7 billion



CAPITAMALL MEILICHENG CHENGDU
CHINA

LETTER TO SHAREHOLDERS

The Group's shopping malls in China performed well in 2012, with tenants' sales and shopper traffic at CMA's shopping malls experiencing growth of 9.8% and 7% respectively, compared to 13.2% and 7.5% recorded for 2011

In China, CMA opened seven new malls in 2012, lifting its total number of operational malls to 49 out of its total portfolio of 60. This China shopping mall portfolio is valued at S\$14.0 billion. In terms of net asset value, 70% of CMA's retail portfolio has turned operational and is generating rental cash flow. The Group's shopping malls in China performed well in 2012, with tenants' sales and shopper traffic at CMA's shopping malls experiencing growth of 9.8% and 7% respectively, compared to 13.2% and 7.5% recorded for 2011. NPI grew 16.9% and the average occupancy rate of the shopping malls with at least two years' operating history was 96.7%. In 2012, CMA's malls generated gross yield on cost and NPI yield on cost of 12.6% and 7.3% respectively, up from 11.8% and 6.8% in 2011.

In Malaysia, CMA's portfolio comprised five operational malls and one under development, valued at S\$1.5 billion. Of the operational malls, four are held via our listed associate, CapitaMalls Malaysia Trust (CMMT), while Queensbay Mall in Penang is held by CMA. CMA also participated in its first retail joint development project in Klang Valley, Malaysia with Sime Darby. The S\$204.5 million (MYR500.0 million) project is expected to offer some 635,000 square feet of retail space when completed in 2016. The Group's Malaysian shopping malls business was lifted by full year contribution from East Coast Mall, Kuantan and an overall 7.8% improvement in NPI on a same mall basis. The Malaysian mall portfolio experienced shopper traffic growth of 1.5% and a high average occupancy rate of 96.6%.

In Japan, earnings were boosted by maiden contribution from Olinas Mall in Tokyo and contributions from our increased stakes in three Japanese shopping malls.

In 2013, CMA's portfolio will benefit from the full year contributions from malls opened in 2012 including The Star Vista, JCube, Bugis+ and The Atrium@Orchard. The Group plans to open six malls in 2013: Westgate and Bedok Mall in Singapore; CapitaMall Tianfu, CapitaMall Meilicheng and CapitaMall Jinniu phase two in China; and CapitaMall Mangalore in India.

ASCOTT

Ascott is the largest international owner and manager of serviced residences with more than 31,000 apartment units in Asia and Europe.

In 2012, for its investment portfolio, Ascott acquired (together with CapitaLand Singapore) Somerset Grand Cairnhill for redevelopment into a new serviced residence cum residential development. It also acquired the 230-unit The Cavendish London with a view to transform it into a premier Ascott branded serviced residence. At the same time, Ascott sold two premier assets, Ascott Raffles Place Singapore and Ascott Guangzhou, to its associate Ascott REIT. Ascott also invested about S\$20.0 million to refurbish four properties in 2012. Separately, Ascott REIT acquired 60% interest in Citadines Kyoto and the 166-unit Madison Hamburg from third parties.

Operationally, revenue per available unit (RevPAU) per day improved 3% from S\$115 to S\$119 across all serviced residences owned, leased and managed by Ascott. The Group's serviced residence portfolio in China, in particular, had a robust year with RevPAU growth of 15% year-on-year. The Group's European serviced residence portfolio performed well, lifted by maiden contribution from

The Cavendish Hotel, which was acquired in 2012, and a fairly resilient UK and French market. The Group's serviced residence portfolio in Japan also showed marked improvement with RevPAU increase of 17% year-on-year to S\$133 per available unit per day.

Ascott secured new management contracts on 14 properties with approximately 2,800 apartments. In China, its main growth market, Ascott further cemented its market leadership position by expanding the serviced residence portfolio for owned and managed properties to over 8,200 apartment units as at end 2012. Overall management and service fee income improved by 5% year-on-year to S\$129.7 million.

In the coming year, the Group will continue to improve the quality of its serviced residence portfolio through asset enhancement and selective acquisitions. The Group will also strengthen its operating performance via active yield management, productivity increase and tighter cost controls. Ten properties, comprising some 1,600 apartment units will commence operations in China and Indonesia in 2013.

REGIONAL INVESTMENTS

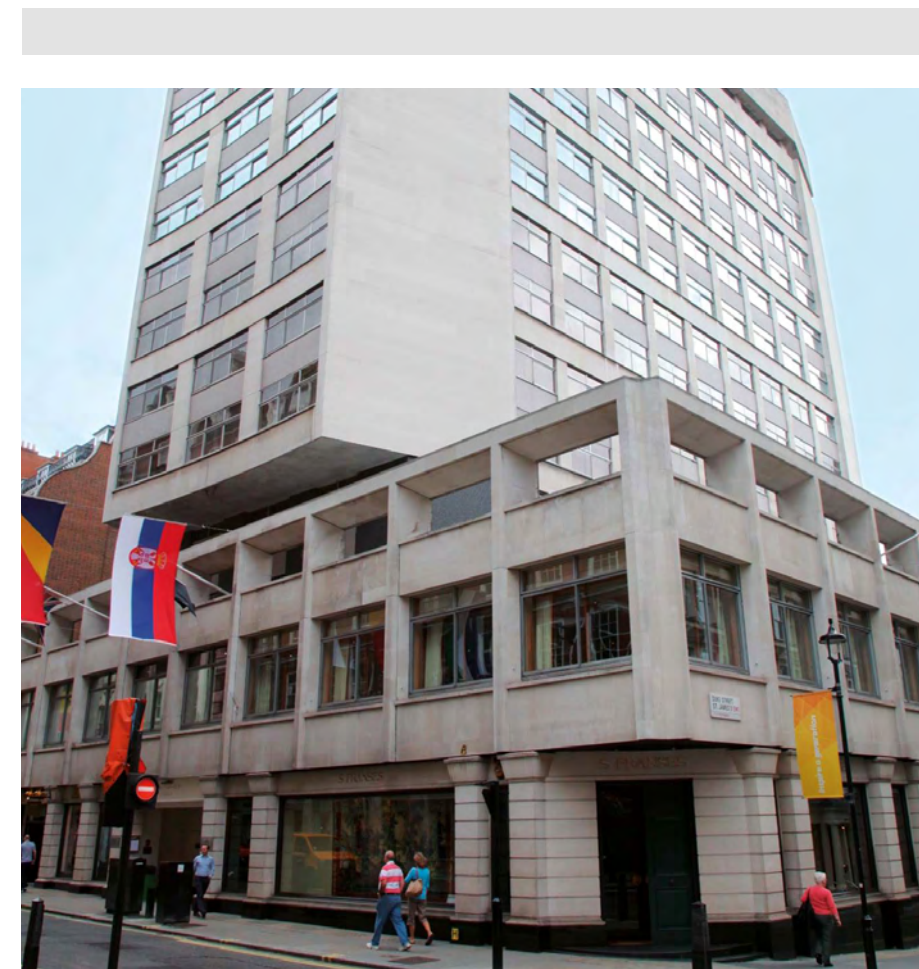
CapitaLand's investment in Australand, which made up the bulk of our regional investments, accounted for 16% of the Group's assets and 18% of EBIT at end 2012. Australand's operations posted a 7.9% year-on-year improvement

Ascott secured new management contracts on 14 properties with approximately 2,800 apartments

CapitaLand's investment in Australand, which made up the bulk of our regional investments, accounted for 16% of the Group's assets and 18% of EBIT at end 2012

31,000 Apartment Units

Ascott is the largest international owner and manager of serviced residences with more than 31,000 apartment units in Asia and Europe



THE CAVENDISH LONDON
UK

LETTER TO SHAREHOLDERS

S\$5.5b Cash Position

CapitaLand maintains a healthy balance sheet with a net debt equity ratio of 0.45 and a cash position of S\$5.5 billion through prudent capital management and active capital recycling

in operating EBIT, lifted by stronger results from the Investment Property and Residential divisions. The Group is currently undertaking a strategic review of its 59.3% stake in Australand with a view to optimise shareholder value.

The Group has reviewed its current direct investments in Japan and Vietnam, and will maintain its presence in both markets as this is believed to be the optimal approach to maximise value for the investments there. CapitaLand will continue to review its other regional investments in UK, India, and the Gulf Cooperation Council countries outside the retail and serviced residence space, with the aim to rationalise and optimise its capital productivity in the coming year.

STRATEGIC CAPITAL MANAGEMENT

CapitaLand maintains a healthy balance sheet with a net debt equity ratio of 0.45 and a cash position of S\$5.5 billion through prudent capital management and active capital recycling. Less than 8.4% of the Group's total debt is due within one year and its average debt maturity profile remains stable at 3.7 years.

The Group taps diversified funding sources including banks, capital markets and private equity capital. In September 2012, CapitaLand successfully raised its first USD bond issue with strong support from about 200 accounts.

The Group also successfully set up two private equity funds – the US\$1.0 billion CapitaMalls China Development Fund III, and the US\$215.0 million CapitaLand China Value Housing Fund in 2012.

The Group's capital recycling model and prudent capital management will continue to provide a high level of financial flexibility for the Group to seek out accretive investments and to manage an uncertain business environment.

DEVELOPING HUMAN CAPITAL

The Group has an integrated human capital strategy to recruit, develop, promote and motivate employees. Based on our philosophy of "Building People", CapitaLand actively identifies talents internally and externally to build its pipeline for succession planning and bench strength. CapitaLand continues to provide training and development opportunities through programmes conducted by CapitaLand Institute of Management and Business (CLIMB) and Ascott Centre for Excellence. For senior management who show potential to take up higher office, CapitaLand offers opportunities for management courses to be pursued at Harvard, Stanford, Tsinghua and Beijing University. A strong pool of management talents, well-trained, tested and equipped, has been groomed and developed to steer the Group to greater heights.

CORPORATE SOCIAL RESPONSIBILITY

CapitaLand has always been committed to being responsible in the communities it operates within. Our corporate social responsibility efforts are in the areas of corporate philanthropy, volunteerism, community and the environment. Every year, CapitaLand allocates up to 0.5% of its net profit to CapitaLand Hope Foundation, the philanthropic arm of CapitaLand, to support programmes for shelter, education and healthcare needs of underprivileged children in the communities where CapitaLand operates.

We strive to be an environmentally-sustainable real estate developer and aim to be at the forefront of the industry in terms of green buildings and stakeholder engagement. In 2012, we obtained 20 green building ratings with five projects clinching the prestigious Green Mark Platinum award given by Singapore's Building and Construction Authority. We also engage our tenants, shoppers, residents, service-providers and the wider community through our Building a Greener Future Programme.

BOARD

We welcomed Tan Sri Amirsham Bin A Aziz and Mr Stephen Lee who bring with them extensive corporate and business expertise to the Board. We look forward to their counsel and contributions in the years ahead.

The Group also successfully set up two private equity funds – the US\$1.0 billion CapitaMalls China Development Fund III, and the US\$215.0 million CapitaLand China Value Housing Fund in 2012

CapitaLand actively identifies talents internally and externally to build its pipeline for succession planning and bench strength

Our corporate social responsibility efforts are in the areas of corporate philanthropy, volunteerism, community and the environment



THE INAUGURATION OF CLIMB
CHINA

LETTER TO SHAREHOLDERS

Mr Liew Mun Leong who stepped down as President and Chief Executive Officer of CapitaLand Limited on 1 January 2013 and was succeeded by Mr Lim Ming Yan, will not be seeking re-election as Director at the forthcoming Annual General Meeting. Mr Liew has led the Group with distinction in the last 12 years, growing it from strength to strength and steering it to chart new frontiers in the real estate industry. On behalf of the Board and staff, we extend to Mr Liew our deep appreciation for all his contributions to the Group and wish him well in his future endeavours.

GOING FORWARD

Looking into 2013, we expect Asia to lead world economic growth, with Singapore and China playing key roles in the region. Singapore is forecasted to post GDP growth of between 1% and 3%, while China's growth is projected to be about 7.5%.

CapitaLand will continue to build on its leadership position in the multi-sector real estate businesses to drive its growth strategy. With our strong balance sheet and financial capacity, we remain confident to weather market volatility and are ready for selective acquisitions.

Despite possible economic headwinds, we are confident that the Group, led by strong management and armed with a robust balance sheet, will be able to continue growing its businesses into the future.

On behalf of the Board and management, we wish to thank all staff, shareholders, business partners and associates for their continued commitment and support for the Group.

NG KEE CHOE
CHAIRMAN

28 February 2013

LIM MING YAN
PRESIDENT & GROUP CEO

CapitaLand will continue to build on its leadership position in the multi-sector real estate businesses to drive its growth strategy

YEAR IN BRIEF

JANUARY

CapitaLand, together with CapitaMalls Asia and Singbridge Holdings Pte Ltd signed a cooperation agreement with the Yuzhong District Government in Chongqing to develop Raffles City Chongqing, a landmark mixed development in the heart of Yuzhong District, at an investment of RMB21.1 billion (approximately S\$4.3 billion).

CapitaMalls Asia raised S\$400.0 million through an issue of 10-year step-up retail bonds, paying interest of 3.8% per annum for the first five years and 4.5% per annum thereafter if the bonds are not redeemed early. The public offer was approximately 4.65 times subscribed and the placement tranche more than two times subscribed.

CapitaLand, in partnership with CapitaMalls Asia and CapitaMall Trust, broke ground for Westgate, a shopping mall and office tower in Singapore's Jurong Gateway. The total Gross Floor Area is 90,770 square metres.

CapitaLand ranked in the Global 100 Most Sustainable Corporations in the World, and named in The Sustainability

Yearbook 2012 at the World Economic Forum. These listings attest to the Group's efforts in integrating sustainability into corporate strategies.

Ascott secured a management contract for its first Citadines property in Surabaya, Indonesia – the 288-unit Citadines Marvell Surabaya. It also strengthened its position in Thailand with the opening of the 162-unit Vic3 Bangkok.

Ascott Residence Trust divested Somerset Gordon Heights Melbourne in Australia to a third party at an agreed consideration of A\$11.7 million (approximately S\$15.3 million).

FEBRUARY

CapitaLand, in partnership with CapitaCommercial Trust and Mitsubishi Estate Asia unveiled the name CapitaGreen at a groundbreaking ceremony of the development and announced a change of address to 138 Market Street. The ceremony was graced by Minister of State for National Development and Manpower, Mr Tan Chuan-Jin.



RAFFLES CITY CHONGQING
CHINA

YEAR IN BRIEF

CapitaLand launched the year-long *Because iCare* campaign. The campaign reinforced CapitaLand's 'Building People' credo and rallied Group-wide effort to engage and care for its stakeholders including homebuyers, shoppers, retail and office tenants, serviced residence guests, investors, partners, employees and the community-at-large.

CapitaMalls Asia acquired the remaining 73.71% stakes each in three malls in Japan – La Park Mizue in Tokyo, Izumiya Hirakata in Osaka and Coop Kobe Nishinomiya-Higashi in Hyogo for about JPY13.2 billion (on a 100% basis).

MARCH

CapitaCommercial Trust acquired Twenty Anson, a two-year old prime office tower for a property price of S\$430.0 million.

CapitaLand organised CapitaLand Debt Investor Day 2012 as part of the Group's overall initiative to reach out to debt investors in Singapore. It was attended by over 100 targeted participants.

CapitaLand's 235 properties across Asia and Europe participated in WWF's Earth Hour initiative. This is the fifth year that the Group is participating in the annual global sustainability movement to show commitment

towards protecting the environment since many other cities globally adopted the event in 2008.

CapitaMalls Asia was included as a constituent stock of the Hang Seng Global Composite Index and Hang Seng Foreign Companies Composite Index. The indices serve as benchmarks for global investors for the performances of all Hong Kong-listed companies and Hong Kong-listed foreign companies respectively.

Ascott extended its leadership position in China as the largest international serviced residence owner-operator in the country by securing a contract to manage the 169-unit Citadines Jinshang Road Xiamen, its first serviced residence in Xiamen.

Ascott Residence Trust expanded its footprint into a new city in Japan by acquiring 60% interest in the 124-unit Citadines Karasuma-Gojo Kyoto from a third party for a total sum of JPY1.2 billion (approximately S\$18.3 million).

APRIL

CapitaLand set up the Art Management Unit to formalise, direct and manage art as a development strategy by integrating art into our buildings.

CapitaLand successfully launched Sky Habitat, the iconic residential development located at Bishan Central and designed by internationally-renowned architect, Moshe Safdie.

CapitaMalls Asia opened JCube, an ultra-hip mall with Singapore's only Olympic-size ice rink and first IMAX cinema in the suburbs.

CapitaMalls Asia acquired a site for CapitaMall Tiangongyuan, its ninth mall in Beijing, China. The total development cost for the mall is expected to be about RMB2,343.0 million (approximately S\$469.2 million).

Ascott secured a contract to manage the 290-unit Beverly Park Residences in Mumbai, India.

CapitaMalls Asia broke ground for Luwan integrated development, which comprises an eight-storey shopping mall and 29-storey office tower in Shanghai, China.

MAY

Mr S R Nathan was appointed as Chairman of CapitaLand Hope Foundation CapitaLand's philanthropic arm.

CapitaMalls Asia and Sime Darby Property announced their plan to jointly develop a shopping mall on a freehold site in Taman Melawati in the Klang Valley, Malaysia, for about RM500.0 million (approximately S\$204.5 million). It is CapitaMalls Asia's first greenfield development and sixth mall in the country.

CapitaMalls Asia, together with Suzhou Industrial Park Jinji Lake Urban Development Co., Ltd broke ground for the largest shopping mall in East China. This integrated development in Suzhou, China will comprise a seven-storey shopping mall and two Grade A office towers on a prime site in Suzhou Centre in the heart of the western CBD of Suzhou Industrial Park. It will be developed at a total cost of about RMB6,740.0 million (approximately S\$1,331 million).

JUNE

CapitaLand announced Mr Liew Mun Leong's retirement as President & Chief Executive Officer of CapitaLand Group in a year's time.

Ascott divested Citadines Ashley Hongkong to a third party for HK\$311.0 million (approximately S\$50.0 million). Following the divestment, the property continued to be leased to and managed by Ascott under the Citadines brand.

CapitaMalls Asia established CapitaMalls China Development Fund III (CMCDF III) with a fund size of US\$1.0 billion, its largest private equity fund to date and fourth one in China. The fund will invest in the development of shopping malls and properties predominantly used for retail purposes in China.

JULY

CapitaMalls Asia opened CapitaMall Taiyanggong in Beijing, China.

CapitaMalls Asia acquired Olinas Mall in Tokyo, Japan for JPY22.8 billion (approximately S\$367.3 million). The mall is part of a large integrated development which is connected to a residential tower and an office tower. It has a total gross floor area of about 583,000 square feet.



YEAR IN BRIEF



RAFFLES CITY CHENGDU
CHINA

CapitaMalls Asia acquired site for CapitaMall Xinduxin, its first shopping mall in Qingdao, China. The total development cost is expected to be about RMB1,457.0 million (approximately S\$294.9 million).

CapitaLand, together with Ascott, acquired Somerset Grand Cairnhill Singapore at S\$359.0 million from Ascott Residence Trust for redevelopment into a new serviced residence and a residential development. It also divested the 146-unit Ascott Raffles Place Singapore at S\$220.0 million and the 208-unit Ascott Guangzhou at S\$63.5 million to Ascott Residence Trust. Ascott clinched a contract to manage its third property in Chengdu, China – the 296-unit Ascott Raffles City Chengdu.

AUGUST

CapitaLand signed a joint venture agreement with Mitsubishi Jisho Residence Co., Ltd. and SECOM Home Life Co., Ltd for the joint development of The Parkhouse Nishi-Azabu Residence. The 190-unit residential project is located in Minato Ward, Tokyo, Japan.

CapitaLand announced that the CapitaLand Group will relocate to Westgate Tower progressively from end 2014. The Group will occupy 11 floors, a total of about 160,000 square feet of the new 20-storey prime office tower.

Raffles City Shenzhen held the groundbreaking ceremony. Located at the commercial hub and residential centre of

the Nanshan area, and seamlessly linked to the urban park, the 308,235 square metre mixed development will upgrade the commercial status and boost local growth of the Nanshan area.

Ascott strengthened its foothold in UK by acquiring an operating 230-unit property known as The Cavendish London for £158.8 million (approximately S\$311.0 million) – a prime property in London that will subsequently be transformed into a luxurious serviced residence under the premier Ascott The Residence brand. It also clinched a contract in the Philippines to manage the 210-unit Citadines Millennium Ortigas Manila, its seventh property in the country.

CapitaMalls Asia issued S\$250.0 million of 10-year corporate bonds under the S\$2.0 billion Euro-Medium Term Note Programme, paying interest of 3.7% per annum.

SEPTEMBER

CapitaLand and Ascott completed their acquisition of the Somerset Grand Cairnhill Singapore following the put-and-call option in July 2012. They will jointly undertake the redevelopment into CapitaLand's first integrated development comprising a serviced residence with a hotel licence and a high-end residential development.



CapitaLand was recognised as a global sustainability leader by Dow Jones World Sustainability Index 2011/2012 and an Asian Sector Leader in the Global Real Estate Sustainability Benchmark (GRESB) Report 2012. The achievements attest to the Group's efforts in integrating sustainability into corporate strategies.

CapitaLand expanded its corporate learning and development institute, CapitaLand Institute of Management and Business, to China. It is part of CapitaLand's commitment to its credo of "Building People" by promoting core values alignment, strategic workplace learning and leadership development among its over 12,000 staff worldwide.

CapitaLand Treasury Limited, a wholly-owned subsidiary of CapitaLand successfully priced US\$ 400 million fixed rate notes due 2022 at a coupon of 4.076%. This was CapitaLand's first foray into the USD bond market.

Raffles City Chengdu, the fourth Raffles City development in the Group's international portfolio was launched. The inauguration was graced by Mr Lee Hsien Loong, the Prime Minister of the Republic of Singapore; Mr Wei Hong, member of the Standing Committee of the CPC Provincial Committee and Deputy Governor of Sichuan Province; together with Mr Ng Kee Choe, Chairman of CapitaLand Group and Mr Liew Mun Leong, President and CEO of CapitaLand Group. The shopping mall attracted a first day shopper crowd of 150,000.

CapitaLand, in partnership with CapitaMalls Asia and Singbridge Holdings Pte Ltd held the groundbreaking ceremony for Raffles City Chongqing.

Raffles City Ningbo, the fourth Raffles City development in China, was opened in the Jiangbei District. With a total investment of RMB1.7 billion (S\$355 million), it is connected to Metro Line 2 which will be operational in the second half of 2013.

CapitaMalls Asia acquired site for CapitaMall 1818, its third shopping mall in Wuhan, China. The total development cost is expected to be about RMB1,156.0 million (approximately S\$228.3 million).

CapitaMalls Asia opened The Star Vista in Singapore.

CapitaMalls Asia opened CapitaMall Rizhao in Rizhao, CapitaMall Xuefu in Harbin, CapitaMall Wusheng in Wuhan, and CapitaMall Crystal in Beijing, all in China.

Ascott opened the 290-unit Beverly Park Residences in Mumbai, India and the 314-unit Ascott IFC Guangzhou in China.

Ascott Residence Trust expanded into Germany's second largest city, Hamburg, through an acquisition of an operating 166-unit property known as Madison Hamburg for a consideration of EUR37.5 million (approximately S\$59.4 million).

The Wharf Residence, a 186-unit residential development located in the prime Mohammed Sultan area of Singapore obtained TOP.

CapitaLand launched the inaugural *Because iCare Awards* for Environment, Health and Safety (EHS) to recognise its stakeholders – contractors, tenants, service providers and staff – for their contributions to EHS in CapitaLand. Over 20 companies and individuals received the awards.

YEAR IN BRIEF

OCTOBER

CapitaLand announced the appointment of Mr Lim Ming Yan as its President and Group Chief Executive Officer with effect from 1 January 2013. He will take over from Mr Liew Mun Leong who will relinquish his appointment as Group President and CEO from 1 January 2013.

Ascott strengthened its leadership position in Vietnam by securing a management contract for the 100-unit Somerset Vista Ho Chi Minh City and the 168-unit Vista Residences.

CapitaLand acquired a site in Shanghai's Pudong District in China for RMB166.29 million (approximately S\$33.26 million). The total GFA of approximately 86,200 square metres will be developed into 700 residential units and 15,000 square metres of commercial space.

CapitaLand and its partners celebrated the topping-out of Mulberry Lane, its first residential project in Hanoi, Vietnam.

CapitaLand established CapitaLand China Value Housing Fund (CCVHF), its third residential fund in China. With

a fund size of US\$215.0 million, the fund will focus on building more affordable home in China.

CapitaRetail China Trust successfully raised S\$86.1 million in a private placement which was increased from the original offer of S\$75.0 million, due to strong demand from over 30 existing and new investors from Asia, the United States and Europe.

The S\$150 million asset enhancement programme for the revamped Plaza Singapura in Singapore was completed. It aims to foster a seamless and more vibrant shopping experience for shoppers.

NOVEMBER

A CapitaLand and Mitsubishi Estate Asia joint venture successfully bided for a residential site at Bishan Street 14 for S\$505.1 million in a government land sales tender. The site will be developed into a condominium with approximately 700 units, and is expected to be launched in the second half of 2013.

CapitaMalls Asia organised the second edition of Retail Global Connexion in Singapore, bringing together over 1,000 retailers and tertiary students to network and be inspired by the tales of successful retailers.

CAPITASTAR, CapitaMalls Asia's cardless rewards programme for shoppers, was launched in China, starting with four malls in West China.

Over 20,000 underprivileged children in Singapore, China, Malaysia, Japan and India benefited from a donation of more than S\$500,000 under "My Schoolbag", the signature annual corporate social responsibility programme. The donation from CapitaLand Hope Foundation was used to purchase school and daily necessities.

CapitaMall Trust raised S\$250.0 million equity at an issue price of S\$2.00 per unit through a private placement.

Ascott secured a contract in China to manage the 177-unit Citadines South Chengdu, its 10th Citadines-branded serviced residence in the country. It also opened the 229-unit Ascott Doha in Qatar and the 168-unit Vista Residences in Vietnam.

DECEMBER

JCube, the newest mall in Singapore's West was officially opened by Dr Amy Khor, Minister of State, Ministry of Health and Ministry of Manpower, and Mayor of South West District in Singapore.



Mr Tan Seng Chai, Chief Corporate Officer, CapitaLand Limited and Executive Director, CapitaLand Hope Foundation presented a CapitaLand Hope Foundation publication "Weimingtian" book to encourage a beneficiary of CapitaLand Therapy for Children Project

CapitaMall Xindicheng, the first shopping mall developed by CapitaMalls Asia in Xi'an, commenced operations. It targets middle to high-end retailers and has attracted more than 150 famous brands from China and abroad.

CapitaKids Programme, a 10-year programme in support of the educational needs of selected underprivileged children, was awarded 2012 Excellent CSR Case by China Association of Social Workers and China Philanthropy Times.

CapitaLand Therapy for Children Project was launched to support underprivileged children with physical disabilities for rehabilitation needs in Beijing, China.

Ascott strengthened its position in Asia by securing management contracts for the 90-unit Ascott Heng Shan Shanghai, the 250-unit Ascott Emerald City Suzhou and the 194-unit Somerset Baitang Suzhou in China, and the 181-unit Ascott Waterplace Surabaya in Indonesia. It also opened the 215-unit Citadines Uplands Kuching in Malaysia and the 100-unit Somerset Vista Ho Chi Minh City in Vietnam.



THE WHARF RESIDENCE
SINGAPORE

AWARDS & ACCOLADES

Corporate Awards

CAPITALAND LIMITED BUSINESS EXCELLENCE

- **Best Developer in Singapore**
Euromoney Real Estate Awards 2012
- **Best Mixed-Use Developer in Singapore**
Euromoney Real Estate Awards 2012
- **Best Residential Developer in Singapore**
Euromoney Real Estate Awards 2012
- **Best Investor Relations (Real Estate)**
IR Magazine South East Asia Awards 2012
- **Best Investment Community Meetings**
IR Magazine South East Asia Awards 2012
- **Arthur Lang, Group CFO Best Investor Relations by a CFO**
IR Magazine South East Asia Awards 2012
- **IR Magazine South East Asia Top 25**
CapitaLand Limited (3rd place)
IR Magazine South East Asia Awards 2012
- **Best Investor Relations Gold Award (Market Cap of \$1 billion & above)**
Singapore Corporate Awards 2012
- **Golden Circle Award (Overall Most Transparent Company)**
Securities Investors Association (Singapore) Investors' Choice Award 2012
- **Most Transparent Company Award (Real Estate)**
Securities Investors Association (Singapore) Investors' Choice Award 2012

- **Most Organised Investor Relations**
Alpha Southeast Asia Magazine
- **Asset Asia Award 2012 (Real Estate) – Platinum**
The Asset
- **Included in World Finance 100**
- **Mr Liew Mun Leong Outstanding PR Champion**
PRISM Awards 2012

SUSTAINABILITY

- **Global 100 Most Sustainable Corporations in the World (Global 100)**
Corporate Knights
- **Dow Jones Sustainability World Index 2012**
Dow Jones Sustainability Indexes in collaboration with RobecoSAM
- **Dow Jones Sustainability Asia Pacific Index 2012**
Dow Jones Sustainability Indexes in collaboration with RobecoSAM
- **The Sustainability Yearbook 2012**
RobecoSAM and KPMG International
- **Strongest Adherence to Corporate Governance**
Alpha Southeast Asia Magazine
- **Best Strategic Corporate Social Responsibility**
Alpha Southeast Asia Magazine
- **Most Admired ASEAN Enterprise for CSR (Large Company)**
ASEAN Business Awards 2012
- **BCA Green Mark Champion Award**
Building and Construction Authority, Singapore

- **Best Community Developer in Singapore**
Singapore Compact CSR Awards 2012
- **Workplace Safety and Health Developer Award**
Workplace Safety and Health Council, Singapore

CAPITACOMMERCIAL TRUST

- **FTSE4Good Global Index**
- **Financing deal of the year (Debt Capital Markets)**
CMBS for Raffles City (Silver Oak's US\$ 645 million CMBS)
- **Upgraded from small-cap to mid-cap stock by MSCI**
- **Added to the MSCI Global Standard Indices**

CAPITALAND CHINA

- **2011 Most Influential Foreign Enterprise**
House Weekly
- **China Well-known Trademark**
State Administration for Industry & Commerce of the People's Republic of China
- **Ranked as Most Valuable Commercial Estate in China**
The Economic Observer
- **Commercial Property with Best Investment Value in China**
The Economic Observer
- **Outstanding Corporate Citizen of China 2012**
China Association of Social Work

CAPITAMALLS ASIA LIMITED

- **Best Retail Developer in Asia**
Euromoney Real Estate Awards 2012
- **Best Retail Developer in China**
Euromoney Real Estate Awards 2012
- **Best Retail Developer in Singapore**
Euromoney Real Estate Awards 2012

- **Most Influential Developer in China**
China Commercial Real Estate Association
- **Most Trustworthy Enterprise**
China Influence Summit 2012
- **Certificate of Excellence**
IR Magazine South East Asia Awards 2012

CAPITAMALL TRUST

- **FTSE4Good Global Index**
- **Best Annual Report (REITS & Business Trusts) – Gold Award**
Singapore Corporate Awards 2012
- **Best Investor Relations (REITS & Business Trusts) – Gold Award**
Singapore Corporate Awards 2012
- **Singapore Corporate Governance Award (REITs) – Winner**
Securities Investors Association (Singapore) Investors' Choice Award 2012
- **Most Transparent Company (REITs & Business Trusts) – Runner up**
Securities Investors Association (Singapore) Investors' Choice Award 2012
- **Certificate of Excellence in Investor Relations**
IR Magazine South East Asia Awards 2012
- **Mr Wilson Tan, CEO CapitaMall Trust Management Limited Brendan Wood International – SIAS TopGun CEO Designation Award**
Securities Investors Association (Singapore) Investors' Choice Award 2012

THE ASCOTT LIMITED

- **Best Serviced Apartment Company**
Business Traveller UK Awards 2012
- **Best Serviced Residence Brand in Asia-Pacific**
Business Traveller Asia-Pacific Awards 2012
- **Best Serviced Residence Brand in China**
Business Traveller China Awards 2012
- **Best Serviced Apartment**
DestinAsian Readers' Choice Awards 2012
- **Best Serviced Residence Operator**
TTG Travel Awards 2012
- **Best Serviced Residence Operator in China**
TTG China Travel Awards 2012
- **Green Model, Innovation Model and Most Popular Brand amongst Business Elites**
China Economy Summit 2012
- **Best Serviced Residence Operator in China**
China Hotel Starlight Awards 2012
- **2012 China's Most Popular Serviced Residence Hotel Brand**
9th Golden-Pillow Award of China's Hotels
- **China's Outstanding Serviced Apartment Brand**
Hotel Industry Development Summit 2012
- **Best Serviced Residence Group**
Travel Weekly China Travel & Meetings Industry Awards 2012
- **Best Hospitality Industry Brand**
Top Travel Hospitality Industry Leaders Awards 2012

- **Best Recommended Serviced Apartment**
Travel + Leisure China Travel Awards 2012
- **Preferred Serviced Apartment (1st)**
Human Resources' HR Vendors of the Year 2012
- **Green Achievement (Highly Commended)**
Re:locate Awards 2011/2012
- **Certificate of Excellence**
Vietnam Economic Times' The Guide Awards 2011-2012

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED

- **Best Annual Report (REITS & Business Trusts) – Bronze Award**
Singapore Corporate Awards 2012
- **Included in World Finance 100**

FINANCIAL PRODUCTS & SERVICES AND REGIONAL INVESTMENTS CapitaLand Vietnam

- **BCI Asia Top 10 Developers Award – Vietnam**
BCI Asia Top 10 Awards 2012
- **Golden Dragon Award 2012**
Vietnam Economic Times

AWARDS & ACCOLADES

Residential

SINGAPORE <ul style="list-style-type: none">Bedok Residences Green Mark Platinum Building and Construction Authority, SingaporeSky Habitat Green Mark Gold^{PLUS} Building and Construction Authority, Singapored'Leedon Safety and Health Award Recognition for Projects (SHARP) Award Workplace Safety and Health Council, Singapore	<ul style="list-style-type: none">The Interlace Safety and Health Award Recognition for Projects (SHARP) Award Workplace Safety and Health Council, SingaporeThe Wharf Residence Safety and Health Award Recognition for Projects (SHARP) Award Workplace Safety and Health Council, SingaporeUrban Resort Condominium Safety and Health Award Recognition for Projects (SHARP) Award Workplace Safety and Health Council, Singapore	CHINA <ul style="list-style-type: none">Riverside Ville Green Mark Building and Construction Authority, SingaporeThe Lakeside 1 Star Green Building Label Ministry of Housing & Urban-Rural DevelopmentThe Lakeside Year 2012 Best Living Environment Residential Project Wuhan Evening Newspaper
		OTHERS <ul style="list-style-type: none">ParcSpring, Vietnam Highly Commended in High-rise Architecture Asia Pacific Property Awards 2012

Commercial

SINGAPORE <ul style="list-style-type: none">CapitaGreen Green Mark Platinum Building and Construction Authority, Singapore	<ul style="list-style-type: none">Six Battery Road Tenant Service Centre Green Mark Gold^{PLUS} Building and Construction Authority, Singapore	<ul style="list-style-type: none">Wilkie Edge Green Mark Gold Building and Construction Authority, SingaporeWilkie Edge 2012 Green Good Design Award The Chicago Athenaeum and The European Centre for Architecture, Art, Design and Urban Studies
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Shopping Malls

SINGAPORE <ul style="list-style-type: none">Bedok Mall Green Mark Platinum Building and Construction Authority, SingaporeBugis+ Green Mark Platinum Building and Construction Authority, SingaporeBukit Panjang Plaza Green Mark Gold Building and Construction Authority, SingaporeJunction 8 Green Mark Platinum Building and Construction Authority, Singapore	<ul style="list-style-type: none">Lot One Shoppers' Mall Green Mark Gold Building and Construction Authority, SingaporePlaza Singapura Green Mark Gold Building and Construction Authority, SingaporeSembawang Shopping Centre Green Mark Gold Building and Construction Authority, SingaporeThe Star Vista Most Innovative Shopping Centre MAPIC Awards 2012	CHINA <ul style="list-style-type: none">CapitaMall Taiyanggong Community Shopping Centre Award 2012 Commercial Real Estate ExpoHongkou Plaza Regional Shopping Centre Award 2012 Commercial Real Estate ExpoCapitaMall Xizhimen China's Most Progressive Mall Award China Commercial Real Estate AssociationLuwan integrated development Gold Level Pre-Certification Leadership in Energy and Environmental Design (LEED) Gold Pre-Certification US Green Building Council
		MALAYSIA <ul style="list-style-type: none">East Coast Mall Green Mark Gold (Provisional) Building and Construction Authority, Singapore

Serviced Residences

SINGAPORE <ul style="list-style-type: none">Ascott Raffles Place Singapore Best Serviced Residence in Asia-Pacific (1st) Business Traveller Asia-Pacific Awards 2012Somerset Liang Court Singapore Top 15 Hotels in Singapore TripAdvisor Travelers' Choice 2012	AUSTRALIA <ul style="list-style-type: none">Citadines on Bourke Melbourne Apartment/Suite Accommodation of the Year Tourism Accommodation Australia (Victoria) State Awards for Excellence 2012	JAPAN <ul style="list-style-type: none">Citadines Shinjuku Tokyo Top 25 Trendiest Hotels in Japan TripAdvisor Travelers' Choice 2012Citadines Karasuma-Gojo Kyoto Top 10 Hotels for Service and Top 25 Trendiest Hotels in Japan TripAdvisor Travelers' Choice 2012
CHINA <ul style="list-style-type: none">Ascott IFC Guangzhou China's Outstanding Serviced Apartment Hotel Industry Development Summit 2012	FRANCE <ul style="list-style-type: none">Citadines Prestige Les Halles Paris Hotel of the Year (Gold Award) Lauriers du Voyage d'Affaires 2012Citadines Prestige Saint-Germain-des-Prés Paris Top 25 Hotels for Families in France TripAdvisor Travelers' Choice 2012	UNITED ARAB EMIRATES <ul style="list-style-type: none">Ascott Park Place Dubai Top 25 Trendiest Hotels in the Middle East TripAdvisor Travelers' Choice 2012
MALAYSIA <ul style="list-style-type: none">Ascott Kuala Lumpur Best Serviced Residence (Excellence Award) Expatriate Lifestyle Best of Malaysia Awards 2012Somerset Ampang Kuala Lumpur Top 10 Hotels for Families in Malaysia TripAdvisor Travelers' Choice 2012	INDONESIA <ul style="list-style-type: none">Ascott Jakarta Best Serviced Residence in Asia-Pacific (2nd) Business Traveller Asia-Pacific Awards 2012Ascott Jakarta Green Mark (Provisional) Building and Construction Authority, Singapore	UNITED KINGDOM <ul style="list-style-type: none">Citadines Prestige Trafalgar Square London Building Research Establishment Environmental Assessment Method (BREEAM) – Very Good Building Research Establishment (BRE)

Mixed Development

CHINA <ul style="list-style-type: none">Raffles City Changning (Tower 1 and Podium 1) Leadership in Energy and Environmental Design (LEED) Gold Level Pre-Certification US Green Building Council	<ul style="list-style-type: none">Raffles City Changning (Tower 2, Tower 3 and Podium 3) Leadership in Energy and Environmental Design (LEED) Certified Pre-Certification US Green Building Council
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CORPORATE DIRECTORY

As at 28 February 2013

BOARD OF DIRECTORS

Ng Kee Choe
Chairman

Peter Seah Lim Huat
Deputy Chairman

Lim Ming Yan
President & Group CEO

Liew Mun Leong
James Koh Cher Siang
Arfat Pannir Selvam
Prof Kenneth Stuart Courtis
John Powell Morschel
Simon Claude Israel
Euleen Goh Yiu Kiang
Tan Sri Amirsham Bin A Aziz
Stephen Lee Ching Yen

COMPANY SECRETARY

Low Sai Choy

ASSISTANT COMPANY SECRETARY

Ng Chooi Peng

BOARD COMMITTEES

Audit Committee

Euleen Goh Yiu Kiang (Chairman)
James Koh Cher Siang
Arfat Pannir Selvam
Tan Sri Amirsham Bin A Aziz

Investment Committee

Ng Kee Choe (Chairman)
Lim Ming Yan
Prof Kenneth Stuart Courtis
John Powell Morschel
Simon Claude Israel

Executive Resource and Compensation Committee

Peter Seah Lim Huat (Chairman)
Ng Kee Choe
Simon Claude Israel
Stephen Lee Ching Yen

Nominating Committee

Peter Seah Lim Huat (Chairman)
Ng Kee Choe
Arfat Pannir Selvam
John Powell Morschel
Simon Claude Israel

Finance and Budget Committee

Peter Seah Lim Huat (Chairman)
Ng Kee Choe
Lim Ming Yan
Prof Kenneth Stuart Courtis

Corporate Disclosure Committee

James Koh Cher Siang (Chairman)
Lim Ming Yan
Arfat Pannir Selvam

Risk Committee

James Koh Cher Siang (Chairman)
Euleen Goh Yiu Kiang
Tan Sri Amirsham Bin A Aziz
Stephen Lee Ching Yen

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112 Robinson Road
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Telephone: +65 6227 6660
Facsimile: +65 6225 1452

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16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Telephone: +65 6213 3388
Facsimile: +65 6225 4142
*(Engagement Partner since financial
year ended 31 December 2010:
Leong Kok Keong)*

PRINCIPAL BANKERS

- Agricultural Bank of China Limited
- Australia and New Zealand
Banking Group Limited
- Bank of China
- CIMB Bank Berhad
- Commonwealth Bank of Australia
- Credit Agricole Corporate and
Investment Bank
- DBS Bank Ltd
- Deutsche Bank AG
- Industrial and Commercial Bank
of China Limited
- Mizuho Corporate Bank, Ltd.
- National Australia Bank Limited
- Oversea-Chinese Banking
Corporation Limited
- Standard Chartered Bank
- Sumitomo Mitsui Banking
Corporation
- The Bank of Tokyo-Mitsubishi
UFJ, Ltd.
- The Hongkong and Shanghai
Banking Corporation Limited
- United Overseas Bank Limited
- Westpac Banking Corporation

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 DECEMBER 2012

Announcement of First Quarter Results	30 April 2012
Announcement of Second Quarter Results	1 August 2012
Announcement of Third Quarter Results	30 October 2012
Announcement of Full Year Results	21 February 2013
Annual General Meeting	26 April 2013
Books Closing (Record Date)	5.00 p.m. on 7 May 2013
Books Closure	8 May 2013
Proposed Payment of 2012 First and Final Dividend	17 May 2013

FINANCIAL YEAR ENDING 31 DECEMBER 2013

Proposed Announcement of First Quarter Results	April 2013
Proposed Announcement of Second Quarter Results	July 2013
Proposed Announcement of Third Quarter Results	October 2013
Proposed Announcement of Full Year Results	February 2014

BOARD OF DIRECTORS

As at 28 February 2013



NG KEE CHOE
CHAIRMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR



PETER SEAH LIM HUAT
DEPUTY CHAIRMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR



LIEW MUN LEONG
EXECUTIVE NON-INDEPENDENT DIRECTOR



LIM MING YAN
PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER
EXECUTIVE NON-INDEPENDENT DIRECTOR



JAMES KOH CHER SIANG
INDEPENDENT NON-EXECUTIVE DIRECTOR



ARFAT PANNIR SELVAM
INDEPENDENT NON-EXECUTIVE DIRECTOR



PROFESSOR KENNETH STUART COURTIS
INDEPENDENT NON-EXECUTIVE DIRECTOR



JOHN POWELL MORSCHEL
INDEPENDENT NON-EXECUTIVE DIRECTOR



SIMON CLAUDE ISRAEL
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR



EULEEN GOH YIU KIANG
INDEPENDENT NON-EXECUTIVE DIRECTOR



TAN SRI AMIRSHAM BIN A AZIZ
INDEPENDENT NON-EXECUTIVE DIRECTOR



STEPHEN LEE CHING YEN
INDEPENDENT NON-EXECUTIVE DIRECTOR

BOARD OF DIRECTORS

NG KEE CHOE, 68

CHAIRMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR
Bachelor of Science (Honours), University of Singapore

Date of first appointment as a director: 16 April 2010
Date of appointment as Chairman: 1 May 2012
Length of service as a director (as at 31 December 2012): 2 years 8 months

- Board committees served on**
- Executive Resource and Compensation Committee **(Member)**
 - Finance and Budget Committee **(Member)**
 - Investment Committee **(Chairman)**
 - Nominating Committee **(Member)**

- Present Directorships in other listed companies**
- CapitaMalls Asia Limited **(Chairman)** (From 25 April 2013)
 - PT Bank Danamon Indonesia, Tbk **(President-Commissioner)**
 - Singapore Exchange Limited
 - SP AusNet **(Chairman)**

- Present Principal Commitments (other than Directorships in other listed companies)**
- Fullerton Financial Holdings Pte Ltd **(Director)**
 - NTUC Income Insurance Co-operative Limited **(Chairman)**
 - Tanah Merah Country Club **(Chairman)**

- Directorships in other listed companies held over the preceding three years**
- Singapore Power Limited **(Chairman)**
 - Singapore Airport Terminal Services Limited

- Background and Working Experience**
- Vice-Chairman of DBS Group Holdings Ltd (“DBS”)
 - Retired from his executive position in DBS in July 2003 after 33 years of service

- Awards**
- The Meritorious Service Medal at the Singapore National Day Awards 2012
 - The Public Service Star at the Singapore National Day Awards 2001

PETER SEAH LIM HUAT, 66

DEPUTY CHAIRMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR
Bachelor of Business Administration (Honours), University of Singapore

Date of first appointment as a director: 18 December 2001
Date of appointment as Deputy Chairman: 1 January 2009
Date of last re-election as a director: 16 April 2010
Length of service as a director (as at 31 December 2012): 11 years

- Board committees served on**
- Executive Resource and Compensation Committee **(Chairman)**
 - Finance and Budget Committee **(Chairman)**
 - Nominating Committee **(Chairman)**

- Present Directorships in other listed companies**
- DBS Group Holdings Ltd **(Chairman)**
 - Level 3 Communications Inc
 - Singapore Technologies Engineering Limited **(Chairman)** (Until 24 April 2013)
 - STATS ChipPAC Ltd
 - StarHub Ltd

- Present Principal Commitments (other than Directorships in other listed companies)**
- Asia Mobile Holdings Pte Ltd **(Director)**
 - DBS Bank Ltd **(Chairman)**
 - DBS Bank (Hong Kong) Limited **(Chairman)**
 - Defence Science Technology Agency **(Board Member)**
 - Fullerton Financial Holdings Pte Ltd **(Director)**
 - Government of Singapore Investment Corporation Pte Ltd **(Director)**
 - LaSalle College of the Arts Limited **(Chairman)**
 - Singapore Health Services Pte Ltd **(Chairman)**
 - STT Communications Ltd **(Deputy Chairman)**

- Directorships in other listed companies held over the preceding three years**
- Alliance Bank Malaysia Berhad
 - Bank of China Limited
 - Global Crossing Limited **(Deputy Chairman)**
 - SembCorp Industries Ltd **(Chairman)**

- Background and Working Experience**
- President & CEO of Singapore Technologies Pte Ltd (From 2001 to 2004)
 - Joined Overseas Union Bank (OUB) in 1997 and became President & CEO of OUB (From 1991 to 2001)

- Awards**
- The Distinguished Service Order at the Singapore National Day Awards 2012

LIEW MUN LEONG, 66

EXECUTIVE NON-INDEPENDENT DIRECTOR ⁽¹⁾
PRESIDENT & CHIEF EXECUTIVE OFFICER
(Until 31 December 2012)
Bachelor of Engineering (Civil), University of Singapore
Registered Professional Civil Engineer

Date of first appointment as a director: 1 January 1997
Date of last re-election as a director: 16 April 2010
Length of service as a director (as at 31 December 2012): 16 years

- Board committees served until 31 December 2012**
- Corporate Disclosure Committee **(Member)**
 - Finance and Budget Committee **(Member)**
 - Investment Committee **(Member)**
 - Nominating Committee **(Member)**

- Present Directorships in other listed companies**
- CapitaMalls Asia Limited **(Chairman)** (Until 24 April 2013)
 - Singapore Exchange Limited

- Present Principal Commitments (other than Directorships in other listed companies)**
- CapitaLand Hope Foundation **(Director)**
 - Centre for Liveable Cities **(Advisory Board Member)**
 - Changi Airport Group (Singapore) Pte Ltd **(Chairman)**
 - China Club Investment Pte Ltd **(Chairman)**
 - Chinese Development Assistance Council **(Trustee)**
 - Human Capital Leadership Institute **(Director)**
 - NUS Business School **(Advisory Board Member)**
 - Singapore-China Foundation Ltd **(Director)**
 - Surbana Corporation Pte Ltd **(Director)**

- Directorships in other listed companies held over the preceding three years**
- Ascott Residence Trust Management Limited (manager of Ascott Residence Trust) **(Deputy Chairman)**
 - CapitaCommercial Trust Management Limited (manager of CapitaCommercial Trust) **(Deputy Chairman)**
 - CapitaMall Trust Management Limited (manager of CapitaMall Trust) **(Deputy Chairman)**
 - CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust) **(Deputy Chairman)**

- Background and Working Experience**
- President & CEO of CapitaLand Group (November 2000 to 31 December 2012)
 - Various leadership positions in the public sector and in the private sector

- Awards**
- The Meritorious Service Medal at the Singapore National Day Awards 2011
 - The Outstanding PR Champion Award by the Institute of Public Relations of Singapore 2012
 - One of the top 25 most powerful businesspeople in Asia by Fortune Magazine 2011
 - Best CEO in Singapore by FinanceAsia 2011
 - Asia’s Best Executive (Singapore) by Asiamoney 2008
 - Best CEO in Asia (Property) by Institutional Investor 2008
 - CEO of the Year award (for firms with market value of S\$500 million or more) in The Business Times’ Singapore Corporate Awards 2007
 - Outstanding CEO of the Year in the Singapore Business Awards 2006
 - The Public Administration Medal by the Singapore Government in 1979

⁽¹⁾ Due to retire by rotation at the next Annual General Meeting and will not be seeking re-election.

LIM MING YAN, 50

EXECUTIVE NON-INDEPENDENT DIRECTOR
PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER
(From 1 January 2013)
Bachelor of Engineering (Mechanical) and Economics
(First Class Honours), University of Birmingham, UK

Date of first appointment as a director: 1 January 2013

- Board committees served from 1 January 2013**
- Corporate Disclosure Committee **(Member)**
 - Finance and Budget Committee **(Member)**
 - Investment Committee **(Member)**

- Present Directorships in other listed companies**
- CapitaMalls Asia Limited
 - Ascott Residence Trust Management Limited (manager of Ascott Residence Trust) **(Deputy Chairman)**
 - CapitaCommercial Trust Management Limited (manager of CapitaCommercial Trust) **(Deputy Chairman)**
 - CapitaMall Trust Management Limited (manager of CapitaMall Trust) **(Deputy Chairman)**
 - CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust) **(Deputy Chairman)**
 - Central China Real Estate Limited

- Present Principal Commitments (other than Directorships in other listed companies)**
- Business China **(Director)**
 - CapitaLand China Holdings Pte Ltd **(Chairman)**
 - CapitaLand Singapore Limited (known as CapitaLand Commercial Limited prior to 15 March 2013) **(Chairman)**
 - CapitaLand Hope Foundation **(Director)**
 - CapitaLand Malaysia Pte. Ltd. **(Chairman)**
 - CTM Property Trust, Steering Committee **(Chairman)**
 - LFIE Holding Limited **(Co-Chairman)**
 - Shanghai YiDian Holding (Group) Company **(Director)**
 - The Ascott Limited **(Chairman)**

- Directorships in other listed companies held over the preceding three years**
- Lai Fung Holdings Limited

- Background and Working Experience**
- Chief Operating Officer of CapitaLand Limited (From May 2011 to December 2012)
 - CEO of The Ascott Limited (From July 2009 to February 2012)
 - CEO of CapitaLand China Holdings Pte Ltd (From July 2000 to June 2009)

- Awards**
- Outstanding CEO (Overseas) in the Singapore Business Awards 2006
 - Magnolia Award by the Shanghai Municipal Government in 2003 and 2005

BOARD OF DIRECTORS

JAMES KOH CHER SIANG, 67

INDEPENDENT NON-EXECUTIVE DIRECTOR

*Bachelor of Arts (Honours), Oxford University, UK
Master of Arts in Philosophy, Political Science and Economics, Oxford University, UK
Master in Public Administration, Harvard University, USA*

Date of first appointment as a director: 1 July 2005
Date of last re-election as a director: 25 April 2011
Length of service as a director (as at 31 December 2012): 7 years 6 months

Board committees served on

- Audit Committee **(Member)**
- Corporate Disclosure Committee **(Chairman)**
- Risk Committee **(Chairman)**

Present Directorships in other listed companies

- CapitaMall Trust Management Limited (manager of CapitaMall Trust) **(Chairman)**
- Pan Pacific Hotels Group Limited
- United Overseas Bank Limited

Present Principal Commitments

(other than Directorships in other listed companies)

- CapitaLand Hope Foundation **(Director)**
- Housing & Development Board **(Chairman)**
- MechanoBiology Institute **(Chairman)**
- Presidential Council for Religious Harmony **(Member)**
- Singapore Island Country Club **(Chairman)**
- Thye Hua Kwan Moral Charities Limited **(Director)**

Directorships in other listed companies held over the preceding three years

- Singapore Airlines Limited
- UOL Group Limited

Background and Working Experience

- CEO of the Inland Revenue Authority of Singapore, Commissioner of Inland Revenue and Commissioner of Charities (1997 to 2005)
- Permanent Secretary in the Ministries of National Development, Community Development and Education
- Served in the Ministries of Finance, National Development, Community Development, Education and the Prime Minister’s Office

Awards

- The Meritorious Service Medal at the Singapore National Day Awards 2002
- The Public Administration Medal (Gold) by the Singapore Government in 1983

ARFAT PANNIR SELVAM, 67

INDEPENDENT NON-EXECUTIVE DIRECTOR

*Bachelor of Laws, University of Singapore
Advocate & Solicitor*

Date of first appointment as a director: 2 January 2006
Date of last re-election as a director: 25 April 2011
Length of service as a director (as at 31 December 2012): 7 years

Board committees served on

- Audit Committee **(Member)**
- Corporate Disclosure Committee **(Member)**
- Nominating Committee **(Member)**
- Risk Committee **(Member)** ⁽²⁾

Present Directorships in other listed companies

- CapitaMalls Asia Limited

Present Principal Commitments

(other than Directorships in other listed companies)

- Duane Morris & Selvam LLP **(Managing Director)**
- Selvam LLC **(Managing Director)**
- ASA Investment Holdings Pte Ltd **(Director)**
- Hope Villages Fund Pte Ltd **(Director)**
- iGlobe Partners Pte Ltd **(Director)**
- iGlobe Partners (II) Pte Ltd **(Director)**
- NASDAQ OMX (South East Asia & Pacific) Pte Ltd **(Director)**
- Priya Roshni Pte Ltd **(Director)**
- Selvam Corporate Services Pte Ltd **(Director)**
- Singapore Institute of Directors **(Fellow)**
- Muslim Financial Planning Association **(President)**
- Breast Cancer Foundation **(Vice President)**
- Rahmatan Lil’Alamin Foundation Ltd **(Board of Trustees Member)**
- Law Society of Singapore Pro Bono, Management Committee **(Chairman)**

Background and Working Experience

- Over 40 years experience in legal practice as a corporate finance lawyer
- Involved in many landmark Singapore M&A transactions

PROFESSOR KENNETH STUART COURTIS, 67

INDEPENDENT NON-EXECUTIVE DIRECTOR

*Bachelor Degree, Glendon College, Toronto, Canada
Master in International Relations, Sussex University, UK
Master of Business Administration, INSEAD (the European Institute of Business Administration)
Doctorate with Honours & High Distinction, l’Institut D’Etudes Politiques, Paris*

Date of first appointment as a director: 14 February 2007
Date of last re-election as a director: 30 April 2012
Length of service as a director (as at 31 December 2012): 5 years 10 months

Board committees served on

- Finance and Budget Committee **(Member)**
- Investment Committee **(Member)**

Present Principal Commitments

(other than Directorships in other listed companies)

- Emerson Electric Company **(Advisory Board Member)**
- CNOOC Limited **(Advisory Board Member)**
- The Economic Strategy Institute **(Advisory Board Member)**
- International MBA Program, York University **(Advisory Board Member)**
- Asia Pacific Foundation of Canada **(Director)**
- Global Advisory Council **(Member)** (formerly known as McKinsey Advisory Council)

Directorships in other listed companies held over the preceding three years

- CNOOC Limited
- Noble Group Limited

Background and Working Experience

- Ex Managing Director and Vice Chairman of Goldman Sachs Asia
- Ex Managing Director, Chief Economist and Strategist of Deutsche Bank Group Asia
- Led a number of large, international corporate transactions centered on Asia and pioneered a number of investment banking specialities across the region

JOHN POWELL MORSCHEL, 69

INDEPENDENT NON-EXECUTIVE DIRECTOR

Diploma in Quantity Surveying, The University of New South Wales

Date of first appointment as a director: 1 February 2010
Date of last re-election as a director: 30 April 2012
Length of service as a director (as at 31 December 2012): 2 years 11 months

Board committees served on

- Investment Committee **(Member)**
- Nominating Committee **(Member)**

Present Directorships in other listed companies

- Australia and New Zealand Banking Group Limited **(Director)** from 2004 and **Chairman** from 2010)

Present Principal Commitments

(other than Directorships in other listed companies)

- Australian Institute of Company Directors **(Fellow)**
- Australian Institute of Management **(Fellow)**
- Gifford Communications Pty Ltd **(Director)**
- Tenix Group Pty Limited **(Director)**

Directorships in other listed companies held over the preceding three years

- Rinker Group Limited **(Chairman and Director)** (2003 – 2007)
- Rio Tinto Limited **(Director)** (1998 – 2005)
- Singapore Telecommunications Limited **(Director)** (2001 – 2010)
- Westpac Banking Corporation **(Director)** (1993 – 2001)

Background and Working Experience

- Executive Director and Managing Director and CEO of Lend Lease Corporation Limited
- Executive Director of Westpac Banking Corporation Limited responsible for the Australian Consumer and Small Business sectors, Information Technology and Property

⁽²⁾ Ceased on 1 February 2013.

BOARD OF DIRECTORS

SIMON CLAUDE ISRAEL, 59

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Diploma in Business Studies, The University of the South Pacific, Fiji

Date of first appointment as a director: 1 July 2010

Date of last re-election as a director: 25 April 2011

Length of service as a director (as at 31 December 2012):
2 years 6 months

Board committees served on

- Executive Resource and Compensation Committee **(Member)**
- Investment Committee **(Member)**
- Nominating Committee **(Member)**

Present Directorships in other listed companies

- Singapore Telecommunications Limited **(Chairman)**

Present Principal Commitments

(other than Directorships in other listed companies)

- Lee Kuan Yew School of Public Policy **(Governing Board Member)**

Directorships in other listed companies held over the preceding three years

- Asia Pacific Breweries Limited **(Chairman)**
- Neptune Orient Lines Limited

Background and Working Experience

- Executive Director of Temasek Holdings (Private) Limited (From 1 July 2006 to 1 July 2011)
- Chairman, Asia Pacific of the Danone Group (From 1 July 2005 to 30 June 2006)
- President (Household & Personal Care), Asia Pacific of Sara Lee Corporation

Awards

- The Knight in the Legion of Honour by the French Government 2007
- The Public Service Medal at the Singapore National Day Awards 2011

EULEEN GOH YIU KIANG, 58

INDEPENDENT NON-EXECUTIVE DIRECTOR

Fellow of Institute of Chartered Accountants in England and Wales

Fellow of The Chartered Institute of Taxation, UK

Fellow of Institute of Certified Accountants of Singapore

Fellow of Ifs School of Finance

Date of first appointment as a director: 1 October 2011

Date of last re-election as a director: 30 April 2012

Length of service as a director (as at 31 December 2012):
1 year 3 months

Board committees served on

- Audit Committee **(Chairman)**⁽³⁾
- Risk Committee **(Member)**⁽⁴⁾

Present Directorships in other listed companies

- DBS Group Holdings Ltd
- Singapore Airlines Limited

Present Principal Commitments

(other than Directorships in other listed companies)

- Northlight School **(Chairman, Board of Governors)**
- NUS Business School **(Management Advisory Board Member)**
- Singapore International Foundation **(Chairman, Board of Governors)**
- DBS Bank Ltd **(Director)**
- Singapore Chinese Girls' School **(Chairman)**

Directorships in other listed companies held over the preceding three years

- Aviva plc
- Singapore Exchange Limited

Background and Working Experience

- CEO of Standard Chartered Bank, Singapore (From 2001 until March 2006)
- Various senior management positions in Standard Chartered Bank, retiring in March 2006 after some 21 years with the Bank

Awards

- The Public Service Star at the Singapore National Day Awards 2012
- Her World Woman of the Year 2005
- The Public Service Medal at the Singapore National Day Awards 2005

TAN SRI AMIRSHAM BIN A AZIZ, 62

INDEPENDENT NON-EXECUTIVE DIRECTOR

Bachelor of Economics (Honours), The University of Malaya

Certified Public Accountant

Date of first appointment as a director: 30 July 2012

Length of service as a director (as at 31 December 2012):
5 months

Board committees served on

- Audit Committee **(Member)**⁽⁵⁾
- Risk Committee **(Member)**⁽⁵⁾

Present Directorships in other listed companies

- CapitaMalls Asia Limited
- Lingui Developments Berhad

Present Principal Commitments

(other than Directorships in other listed companies)

- Destination Resorts & Hotels Sdn Bhd
- Malaysian Investment Development Authority
- Petroliam Nasional Berhad
- Pulau Indah Ventures Sdn Bhd
- Samling Global Limited
- StarChase Motorsports Limited
- Themed Attractions & Resorts Sdn Bhd

Background and Working Experience

- Executive Director of Malayan Banking Berhad (From 1994 to 2008)
- Minister in the Malaysian Prime Minister's Department heading the Economic Planning Unit and Department of Statistics (From March 2008 to April 2009)
- Chairman of the Malaysian National Economic Advisory Council (From 1 June 2009 to 31 May 2011)

Awards

- Global Hall of Fame by the International Association of Outsourcing Professionals 2009
- The Asian Bankers Lifetime Achievement Award 2008

STEPHEN LEE CHING YEN, 66

INDEPENDENT NON-EXECUTIVE DIRECTOR

Master of Business Administration, Northwestern University, Illinois, USA

Date of first appointment as a director: 1 January 2013

Board committees served from 1 February 2013

- Executive Resource and Compensation Committee **(Member)**
- Risk Committee **(Member)**

Present Directorships in other listed companies

- Singapore Airlines Limited **(Chairman)**
- SIA Engineering Company **(Chairman)**

Present Principal Commitments

(other than Directorships in other listed companies)

- Council of Presidential Advisers **(Alternate Member)**
- Dr Goh Keng Swee Scholarship Fund **(Director)**
- National Wages Council **(Member)**
- Kidney Dialysis Foundation **(Director)**
- Singapore National Employers Federation **(President)**
- Singapore Labour Foundation **(Director)**
- COFCO Corporation, China **(Director)**
- G2000 Apparel (S) Pte Ltd **(Director)**
- Great Malaysia Textile Investments Pte Ltd **(Managing Director)**
- Shanghai Commercial and Savings Bank Ltd, Taiwan **(Managing Director)**
- Shanghai Commercial & Savings Bank Ltd, Hong Kong **(Director)**
- SLF Strategic Advisers Private Limited **(Director)**

Directorships in other listed companies held over the preceding three years

- Baosteel Group Corporation, Shanghai
- Fraser and Neave Limited

Background and Working Experience

- Chairman of International Enterprise Singapore (formerly known as TDB)
- Chairman/Advisor of PSA International Pte Ltd
- Chairman of Singapore Business Federation

Awards

- The Distinguished Service Order at the Singapore National Day Awards 2006
- The Public Service Star at the Singapore National Day Awards 1998

⁽³⁾ Appointed as Chairman on 30 April 2012.

⁽⁴⁾ Appointed on 30 April 2012.

⁽⁵⁾ Appointed on 15 August 2012.

EXECUTIVE MANAGEMENT COUNCIL

As at 28 February 2013



LIM MING YAN
PRESIDENT & GROUP CEO
CAPITALAND LIMITED



OLIVIER LIM
GROUP DEPUTY CEO
CAPITALAND LIMITED



ARTHUR LANG
GROUP CHIEF FINANCIAL OFFICER
CAPITALAND LIMITED



TAN SENG CHAI
GROUP CHIEF CORPORATE OFFICER
CAPITALAND LIMITED



WEN KHAI MENG
CEO
CAPITALAND SINGAPORE



JASON LEOW
CEO
CAPITALAND CHINA



LIM BENG CHEE
CEO
CAPITAMALLS ASIA LIMITED



CHONG KEE HIONG
CEO
THE ASCOTT LIMITED



CHEN LIAN PANG
CEO
CAPITALAND VIETNAM



CHONG LIT CHEONG
CEO
REGIONAL INVESTMENTS, CAPITALAND LIMITED



WONG HEANG FINE
CEO
RESIDENTIAL, CAPITALAND SINGAPORE



MARGARET GOH
CEO
SPECIAL PROJECTS, CAPITALAND SINGAPORE

EXECUTIVE MANAGEMENT COUNCIL

LIM MING YAN

PRESIDENT & GROUP CEO, CAPITALAND LIMITED
(From 1 January 2013)

CHIEF OPERATING OFFICER
(Until 31 December 2012)

Mr Lim Ming Yan is President and Group Chief Executive Officer of CapitaLand Limited. Prior to this, he was the Chief Operating Officer of CapitaLand Limited. He joined the CapitaLand Board as Director on 1 January 2013.

Mr Lim is Chairman of CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, The Ascott Limited, CapitaLand Singapore Limited (known as CapitaLand Commercial Limited prior to 15 March 2013), CapitaLand Malaysia Pte Ltd and CapitaLand Financial Limited. He is also Deputy Chairman of CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, CapitaRetail China Trust Management Limited and Ascott Residence Trust Management Limited.

Mr Lim is Chairman of CapitaLand China Executive Committee and CapitaLand Vietnam Executive Committee. The committees co-ordinate and align CapitaLand’s investments, operations, branding and resources in China and Vietnam. He is also a Director of CapitaLand Hope Foundation, the Group’s philanthropic arm.

Mr Lim was the Chief Executive Officer of The Ascott Limited from July 2009 to February 2012. Prior to joining Ascott, Mr Lim was the Chief Executive Officer of CapitaLand China Holdings Pte Ltd from November 2000 to June 2009, responsible for growing CapitaLand into a leading foreign real estate developer in China.

Mr Lim was named Outstanding Chief Executive (Overseas) at the Singapore Business Awards 2006. He was also conferred the prestigious Magnolia Award by the Shanghai Municipal Government in 2003 and 2005 for his significant contributions to Shanghai.

Mr Lim obtained first class honours in Mechanical Engineering and Economics from the University of Birmingham, United Kingdom in 1985. He attended the Advanced Management Program at Harvard Business School in 2002.

OLIVIER LIM

GROUP DEPUTY CEO, CAPITALAND LIMITED
(From 3 January 2013)

GROUP CHIEF INVESTMENT OFFICER, CAPITALAND LIMITED
(Until 2 January 2013)

HEAD OF STRATEGIC CORPORATE DEVELOPMENT, CAPITALAND LIMITED
(Until 5 February 2012)

Mr Olivier Lim is the Group Deputy Chief Executive Officer of CapitaLand Limited. He is concurrently the non-executive Chairman of Australand Holdings Limited, and a non-executive director of CapitaMalls Asia Limited, Raffles Medical Group Ltd and Neptune Orient Lines Limited. Mr Lim also serves as a board member of Sentosa Development Corporation, and as the non-executive Chairman of its subsidiary, Mount Faber Leisure Group Pte Ltd.

Mr Lim’s prior positions in CapitaLand were as Group Chief Investment Officer until 2 January 2013, Head of Strategic Corporate Development until 5 February 2012, and Group Chief Financial Officer for six years until 2011. Prior to joining CapitaLand Limited in 2003, he was Director and Head of the Real Estate Unit, Corporate Banking in Citibank Singapore.

Mr Lim was awarded Best Investor Relations by a CFO by IR Magazine for South East Asia for 2009, 2010 and 2011, and Pan-Asia for 2011. He was named CFO of the Year by The Asset magazine in its 2010 Asian Awards. He was also named CFO of the Year in 2007 (for firms with market value of S\$500 million or more) in The Business Times’ Singapore Corporate Awards.

Mr Lim holds a First Class Honours degree in Civil Engineering from Imperial College, London.

ARTHUR LANG

GROUP CHIEF FINANCIAL OFFICER, CAPITALAND LIMITED

Mr Arthur Lang is the Group Chief Financial Officer of CapitaLand Limited. In his current role, he has direct oversight of the functions of the treasury, financial reporting and controls, risk management, corporate finance, tax and investor relations departments of CapitaLand. He also looks after the administrative matters of the internal audit department.

Prior to joining CapitaLand, he was co-head of the Southeast Asia investment banking division for Morgan Stanley where he spearheaded the client coverage and transaction execution efforts across Southeast Asia.

Prior roles Mr Lang held at Morgan Stanley also included the Chief Operating Officer for the Asia Pacific investment banking division where he was based in Hong Kong.

Mr Lang is also a board member of the Land Transport Authority of Singapore and Tiger Airways Holdings Limited.

Mr Lang was awarded the Best Investor Relations by a CFO at the IR Magazine South East Asia Awards 2012.

Mr Lang has an MBA from the Harvard Business School and a BA in Economics (magna cum laude) from Harvard University.

TAN SENG CHAI

GROUP CHIEF CORPORATE OFFICER, CAPITALAND LIMITED
(From 3 January 2013)

DEPUTY CHIEF COPORATE OFFICER, CAPITALAND LIMITED
(Until 2 January 2013)

Mr Tan Seng Chai is Group Chief Corporate Officer of CapitaLand Limited. Prior to this, he was Deputy Chief Corporate Officer and Chief Human Resource Officer of CapitaLand Limited.

Mr Tan oversees the Group’s corporate functions including Human Resource, Organisational Development, Information Technology, Corporate Communications, Corporate Marketing, Legal & Company Secretariat, Operations Compliance Unit, Office Administration and Corporate Security & Investigation. Mr Tan is also the Executive Director of CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

Prior to joining the Group, Mr Tan was with Chartered Semiconductor Manufacturing Ltd, Singapore for 12 years. He held key positions in the company including heading its worldwide human resource organisation as well as overseeing key project implementation and strategic investment activities.

An engineer by training, Mr Tan started his career with National Semiconductor Manufacturer Singapore Pte Ltd as a Process Engineer and subsequently became the company’s Human Resource Manager. He continued his career progression to head the human resource function at Creative Technology Ltd, Singapore before joining Chartered Semiconductor Manufacturing Ltd.

Mr Tan holds an honours degree in Civil & Structural Engineering and a Master of Science degree in Industrial & System Engineering from the National University of Singapore.

EXECUTIVE MANAGEMENT COUNCIL

WEN KHAI MENG

CEO, CAPITALAND SINGAPORE
(From 3 January 2013)

CEO, CAPITALAND FINANCIAL LIMITED
(Until 2 January 2013)

CHIEF INVESTMENT OFFICER, CAPITALAND LIMITED
(Until 5 February 2012)

Mr Wen Khai Meng is the Chief Executive Officer of CapitaLand Singapore. He is also a Non-Executive Director of CapitaCommercial Trust Management Limited and Quill Capita Management Sdn. Bhd.

Prior to this, Mr Wen has held several senior appointments within the Group including Chief Investment Officer of CapitaLand Limited, Chief Executive Officer of CapitaLand Commercial Limited and Chief Executive Officer of CapitaLand Financial Limited. He was also a Non-Executive Director of Ascott Residence Trust Management Limited. Before joining the Group, Mr Wen was with the Ministry of National Development, Singapore.

Mr Wen holds a Master of Business Administration and a Master of Science in Construction Engineering as well as a Bachelor of Engineering (First Class Honours).

JASON LEOW

CEO, CAPITALAND CHINA
(From 3 January 2013)

CEO, CAPITALAND CHINA HOLDINGS PTE LTD
(Until 2 January 2013)

Mr Jason Leow is the Chief Executive Officer of CapitaLand China. Mr Leow has been Chief Executive Officer of CapitaLand China Holdings Pte Ltd since 2009.

Mr Leow has been with CapitaLand from 1994 and has over 19 years of experience in China. He has held several appointments within the Group, including General Manager of Business Development, General Manager of Corporate Services and Deputy Chief Executive Officer of CapitaLand China Holdings.

Prior to joining CapitaLand, he was a senior financial analyst at ST Aerospace Ltd and also spent three years at DBS Finance Ltd.

Mr Leow is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Singapore. He obtained an Executive Master in Business Administration degree from Fudan University and also attended the Advanced Management Program at Harvard Business School in 2007.

LIM BENG CHEE

CEO, CAPITAMALLS ASIA LIMITED

Mr Lim Beng Chee is the Chief Executive Officer and Executive Director of CapitaMalls Asia Limited. He has more than 10 years of real estate investment and asset management experience.

Mr Lim previously held various positions within CapitaLand, including Chief Executive Officer of CapitaMall Trust Management Limited and CapitaRetail China Trust Management Limited. Mr Lim has played an instrumental role in the creation of CapitaMalls Asia’s retail real estate funds and retail real estate investment trusts (REITs).

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

CHONG KEE HIONG

CEO, THE ASCOTT LIMITED
(From 6 February 2012)

CEO, ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(Until 5 February 2012)

Mr Chong Kee Hiong is the Chief Executive Officer of The Ascott Limited. He was the Chief Executive Officer of Ascott Residence Trust Management Limited from March 2006 to February 2012. Before joining Ascott, Mr Chong was the Chief Financial Officer of Raffles Holdings Limited.

Mr Chong is the President of the General Committee of Orchid Country Club and is a Director of SLF Leisure Enterprises (Pte) Ltd and Pasir Ris Resort Pte Ltd. He also sits on the Audit Committee of Sentosa Development Corporation.

Mr Chong holds a Bachelor of Accountancy degree from the National University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore. He completed Harvard Business School’s Advanced Management Program in 2008.

EXECUTIVE MANAGEMENT COUNCIL

CHEN LIAN PANG

CEO, CAPITALAND VIETNAM
(From 3 January 2013)

CEO, CAPITAVALUE HOMES LIMITED
(Until 2 January 2013)

Mr Chen Lian Pang is the Chief Executive Officer of CapitaLand Vietnam. Mr Chen was the Chief Executive Officer of CapitaValue Homes Limited until 2 January 2013.

In his 16 years of service with CapitaLand, Mr Chen has held various positions within the Group where he was responsible for the company’s operations in Southeast Asia. He was instrumental in the setting up T.C.C. Capital Land Ltd in Thailand in 2003 and CapitaLand Vietnam Holdings in Vietnam in 2007.

Mr Chen has 30 years of construction and real estate experience both in Singapore and overseas. He started his career with the Housing and Development Board of Singapore. He had overseen the development of both commercial and residential projects, including Capital Tower in Singapore, Raffles City Shanghai in China, Westlake International Hotel in Hanoi, Vietnam (now the Sofitel Plaza Hanoi) and a luxury condominium, Suasana Sentral in Kuala Lumpur, Malaysia.

Mr Chen holds a Master of Science in Civil Engineering from the National University of Singapore and a Bachelor of Science in Civil Engineering (First Class Honours) from the University of Cardiff, United Kingdom. He completed the General Management Program at Harvard Business School and an International Business Fellowship Executive Programme with Tsinghua University in 2000 and 2011 respectively. He is also a registered professional engineer.

CHONG LIT CHEONG

CEO, REGIONAL INVESTMENTS, CAPITALAND LIMITED
(From 3 January 2013)

CEO, CAPITALAND COMMERCIAL LIMITED
(Until 2 January 2013)

Mr Chong Lit Cheong is the Chief Executive Officer, Regional Investments of CapitaLand Limited. He was appointed as Director of Surbana Corporation Pte Ltd (Surbana), a 40%-owned associate company of CapitaLand, in 2012. Mr Chong was the Chief Executive Officer of CapitaLand Commercial Limited until 2 January 2013.

Prior to joining the Group, Mr Chong was the Chief Executive Officer of International Enterprise Singapore, an agency under Singapore’s Ministry of Trade and Industry which promotes the overseas growth of Singapore-based enterprises and international trade. Prior to that, he was the Chief Executive Officer of JTC Corporation and Managing Director of National Science and Technology Board (now called A*STAR). He had previously served in Singapore’s Economic Development Board where he was posted to Suzhou, China, to lead the development of the China-Singapore Suzhou Industrial Park project.

Mr Chong is a Mombusho (Colombo Plan) Scholar and holds a Bachelor of Engineering (Electronic) from the University of Tokyo. He also completed an Advanced Management Programme at INSEAD in France in 1994 and the Tsinghua Executive Program in Shanghai, China, in 2004.

WONG HEANG FINE

CEO, RESIDENTIAL, CAPITALAND SINGAPORE
(From 3 January 2013)

CEO, CAPITALAND RESIDENTIAL SINGAPORE PTE LTD
(Until 2 January 2013)

Mr Wong Heang Fine is the Chief Executive Officer of Residential, CapitaLand Singapore.

Mr Wong was the Chief Executive Officer of CapitaLand ILEC Pte. Ltd. He was also in charge of CapitaLand’s business in the Gulf Cooperation Council (GCC) region. Mr Wong was the President of the Real Estate Developers’ Association of Singapore (REDAS) until end Jan 2013.

Prior to joining CapitaLand, Mr Wong was President and CEO of Sembcorp Engineers and Constructors, the largest engineering and construction company in Southeast Asia. He also has varied experience in the leisure and entertainment industries.

Mr Wong holds a Master of Science in Engineering Production & Management from the University of Birmingham, UK and a Bachelor of Science in Mechanical Engineering (First Class Honours) from the University of Leeds, United Kingdom.

MARGARET GOH

CEO, SPECIAL PROJECTS, CAPITALAND SINGAPORE
(From 3 January 2013)

CEO, SPECIAL PROJECTS, CAPITALAND LIMITED
(Until 2 January 2013)

Ms Margaret Goh is the Chief Executive Officer, Special Projects of CapitaLand Singapore. She is in charge of CapitaLand’s development business in Malaysia as well as support cross-SBU projects. This includes overseeing joint venture projects between Temasek and Khazanah where CapitaLand has been appointed as the project manager.

Ms Goh joined CapitaLand in April 2012. Prior to joining CapitaLand, she was the Chief Executive Officer of NTUC Choice Homes Co-operative Limited since 2007. Earlier, she was the General Manager of Sentosa Cove Pte Ltd. Ms Goh has also served in City Developments Ltd, Pontiac Marina Pte Ltd and Hong Leong Holdings Ltd.

Ms Goh holds a Bachelor of Land Economics (First Class) from the University of Technology, Sydney.

CORPORATE OFFICE



LIEW MUN LEONG
PRESIDENT & CEO
(Until 31 December 2012)



LIM MING YAN
CHIEF OPERATING OFFICER **PRESIDENT & GROUP CEO**
(Until 31 December 2012) (From 1 January 2013)



OLIVIER LIM
CHIEF INVESTMENT OFFICER **GROUP DEPUTY CEO**
(Until 2 January 2013) (From 3 January 2013)



ARTHUR LANG
GROUP CHIEF FINANCIAL OFFICER



TAN SENG CHAI
DEPUTY CHIEF CORPORATE OFFICER **GROUP CHIEF CORPORATE OFFICER**
(Until 2 January 2013) (From 3 January 2013)



WEN KHAI MENG
CHIEF EXECUTIVE OFFICER **CHIEF EXECUTIVE OFFICER**
CAPITALAND FINANCIAL LIMITED **CAPITALAND SINGAPORE**
(Until 2 January 2013) (From 3 January 2013)

NOT PHOTOGRAPHED

ANDRE LIM
VICE PRESIDENT
MARKET & STRATEGY INSIGHT
AND CORPORATE PLANNING

ANGELINE OH
SENIOR VICE PRESIDENT
HUMAN RESOURCE

ANNA CHOO
SENIOR VICE PRESIDENT
TREASURY

ANTHONY SEAH
CHIEF OF TECHNICAL SERVICES

BELINDA GAN
GROUP FINANCIAL CONTROLLER

BOAZ BOON
SENIOR VICE PRESIDENT
MARKET & STRATEGY INSIGHT
(CHINA) UNIT

CHYE MOI JUNE
HEAD
GROUP TAX

FRANCIS WONG HOOE WAI
CHIEF OF ART MANAGEMENT

HAROLD WOO
SENIOR VICE PRESIDENT
INVESTOR RELATIONS

HUBERT LADSTATTER
SENIOR VICE PRESIDENT
RISK MANAGEMENT

LEE TIONG PENG
SENIOR VICE PRESIDENT
CAPITALAND INSTITUTE OF
MANAGEMENT & BUSINESS

LEONG SOON PENG
CHIEF TECHNOLOGY OFFICER

LEOW SIEW BENG
SENIOR VICE PRESIDENT
HUMAN RESOURCE
(ORGANISATIONAL DEVELOPMENT)

LIM SOO GEE
HEAD
CORPORATE SECURITY
& INVESTIGATION

LORNA TAN
SENIOR VICE PRESIDENT
CORPORATE COMMUNICATIONS

LOW SAI CHOY
SENIOR VICE PRESIDENT
LEGAL/COMPANY SECRETARY

MONICA CHIA
SENIOR VICE PRESIDENT
GROUP INTERNAL AUDIT

POON HIN KONG
CHIEF OF DESIGN REVIEW UNIT

SHARON SNG
SENIOR VICE PRESIDENT
CORPORATE FINANCE

TAN BEE LENG
VICE PRESIDENT
CORPORATE MARKETING
& CORPORATE SOCIAL
RESPONSIBILITY

TING TONG KOI
SENIOR VICE PRESIDENT
OPERATIONS COMPLIANCE UNIT

CORPORATE GOVERNANCE REPORT

CapitaLand Limited (the “Company”) observes high standards of corporate conduct in line with the Principles of the Code of Corporate Governance (“Code”). The Code was revised by the Monetary Authority of Singapore in May 2012 and although it takes effect only for companies in respect of annual reports relating to financial years commencing from 1 July 2012, the Company has revised its policies and practices (including its Board Charter and Terms of Reference of its Board Committees) to adhere to the revised Code. Where there is any material deviation, an explanation has been provided within this Report.

The Company believes in developing and maintaining sound and transparent policies and practices to meet its business needs as a trusted and respected business enterprise. It remains focused on the substance and spirit of the Principles of the revised Code while achieving operational excellence and delivering the Group’s long term strategic objectives.

This Report on the Company’s corporate governance practices for financial year 2012 describes its application of good governance principles in building a company committed to integrity, excellence and its people. The application is underpinned by sound and robust systems of internal controls and accountability to promote and drive long-term sustainable growth and shareholder value.

The following sections covering each of the Principles of the revised Code outlines the Company’s policies and practices.

(A) BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Company is led by an effective Board comprising a majority of independent non-executive Directors. Each Director brings to the Board his skills, experience, insights and sound judgement, which together with strategic networking relationships, serves to further the interests of the Company. At all times, the Directors are collectively and individually obliged to act in good faith and consider the best interests of the Company.

The Board oversees the affairs of the Company and is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board has adopted a Board Charter setting forth the duties and responsibilities of the Board. These include:

- approving the broad policies, strategies and objectives of the Group;
- approving annual budgets, major funding, including capital management proposals, investment and divestment proposals;
- reviewing at least annually the adequacy and effectiveness of the Group’s risk management and internal control systems including establishing risk appetite and parameters, and internal control systems including financial, operational, compliance and information technology controls;
- reviewing succession plans for Directors and recommending their appointment for shareholders’ approval;
- reviewing the appointment of and succession plans for the Chief Executive Officer (“CEO”);
- recommending Board compensation for shareholders’ approval;
- approving compensation framework and specific remuneration packages of CEO and key management personnel; and
- appointing and removing the Company Secretary.

Specific matters which are reserved for the Board’s approval include:

- material acquisitions, investments, disposals and divestments;
- corporate and financial restructuring;
- share issuances, dividends and other returns to shareholders;
- the targets for and assessing the performance of the CEO and determining the compensation package for the CEO; and
- matters which involve a conflict of interest for a substantial shareholder or a Director.

The Board has adopted a set of internal controls which sets out approval limits for capital expenditure, investments and divestments, bank borrowings and signatories of cheques at Board level. Approval sublimits are also provided at Management levels to facilitate operational efficiency.

The Board meets regularly to review the key activities and business strategies of the Group, at least once every quarter, and as required by business imperatives. Prior to the start of each Board Meeting, the non-executive Directors would meet without the presence of Management.

A total of seven Board meetings was held in 2012.

To assist the Board in the discharge of its oversight functions, various Board Committees, namely Audit Committee (“AC”), Corporate Disclosure Committee (“CDC”), Executive Resource and Compensation Committee (“ERCC”), Finance and Budget Committee (“FBC”), Investment Committee (“IC”), Nominating Committee (“NC”) and Risk Committee (“RC”) have been constituted with clear written Terms of Reference. Other Board Committees may be formed as dictated by business imperatives.

Membership of the various Board Committees is carefully managed to ensure an equitable distribution of responsibility among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered. The Company has also taken steps to ensure that there are appropriate checks and balances in the compositions of the various Board Committees.

The membership of the Board Committees is set out on page 68 of this Report.

A table showing the attendance record of Directors at Board and Board Committee meetings during the year is set out on page 69 of this Report. We believe in the manifest contribution of our Directors beyond attendance at formal Board and Board Committee meetings.

The Company is responsible for arranging the training of Directors.

Newly appointed Directors are given briefings by Management to orientate them on the strategic objectives and business activities of the Group. Arrangements are also made for the newly appointed Directors to visit the Company’s properties and development sites both in Singapore and overseas.

Upon appointment, each Director is briefed and provided with a formal letter setting out the Director’s duties and obligations. Directors are expected to exercise independent judgement in the best interests of the Company. Directors are also briefed and provided with relevant information on the Company’s policies and procedures relating to corporate conduct and governance

including disclosure of interests in securities, prohibitions on dealings in the Company’s securities, restrictions on disclosure of price sensitive information and the disclosure of interests relating to certain property transactions.

The Directors are provided with opportunities for continuing education in areas such as Directors’ duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, the listing rules of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the Code, and industry-related matters, so as to update them on matters that affect or may enhance their performance as Board or Board Committee members.

Training provided to new and existing Directors in 2012 included:

- update on new property measures by the authorities;
- recent changes to the listing rules of the Listing Manual of the SGX-ST;
- Code of Corporate Governance 2012;
- new Notification Regime for Substantial Shareholders/ Unitholders and Directors and CEOs under the Securities and Futures Act (“SFA”); and
- a case study on non-disclosure offences under the SFA.

Principle 2: Board Composition and Guidance

The Board comprises 12 Directors with 10 non-executive Directors as at 28 February 2013. Profiles of the Directors are provided on pages 34 to 41 of the Annual Report.

In financial year 2012, Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning stepped down from the Board on 30 April 2012. Tan Sri Amirshim bin Aziz joined the Board on 30 July 2012

Mr Lim Ming Yan and Mr Stephen Lee joined the Board on 1 January 2013.

Mr Ng Kee Choe was appointed non-executive Chairman on 1 May 2012. He brings with him a wealth of experience in finance and banking and listed company experience in Singapore and Australia.

Mr Lim Ming Yan, the President & Group CEO, is the Executive Director. He succeeded Mr Liew Mun Leong who was President and CEO, from 1 January 2013.

CORPORATE GOVERNANCE REPORT

The Directors are business leaders and professionals with financial, banking, real estate, tax, legal, economics, investment, accounting and manufacturing backgrounds. Management has benefitted from their diverse experience and perspectives on issues brought before the Board. The Board and Management interacts formally and informally. This, together with the separation of the role of the Chairman and the CEO, provides a healthy professional relationship between the Board and Management with clarity of roles.

The Board has established the NC which recommends to the Board, the appointments to the Board and Board Committees and the independence of the Directors. The NC has recommended and the Board has determined that nine of the 10 non-executive Directors were independent in the financial year 2012. For the purposes of the determination, the non-executive Directors have provided declarations of their independence which were deliberated upon by the NC and the Board.

The Board has determined that Mr Ng Kee Choe be considered independent as he has demonstrated independence in character and judgement in the discharge of his responsibilities as a Director of the Company and there are no relationships or circumstances that are likely to affect, or could appear to affect, his judgement based on his declaration received.

The Board has determined that Mr Peter Seah Lim Huat be considered independent notwithstanding that he has served on the Board beyond nine years as he has continued to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director of the Company. He has continued to express his individual viewpoints, debated issues and objectively scrutinised and challenged Management. He has sought clarification and amplification as he deemed required, including through direct access to the Group's employees and external advisors. Based on his declaration received, Mr Seah has no association with Management that could compromise his independence.

The Board has determined that Mr Seah be considered independent notwithstanding that he is Chairman of DBS Bank as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by the Group to DBS Bank was not significant compared with the overall payments made by the Group in the financial year 2012, (ii) the services received by the Group from DBS Bank was not material in the context of all the

financial advisory and related services that the Group had received from its other banks and (iii) Mr Seah is required under the Company's policy to recuse himself from any transaction with DBS Bank or any matter that might give rise to a conflict of interest with DBS Bank and would abstain from voting on such proposals at the Board meetings. Based on his declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect Mr Seah's judgement.

The Board has determined that Mr James Koh Cher Siang be considered independent notwithstanding that he is a Director of United Overseas Bank ("UOB") as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by the Group to UOB was not significant compared with the overall payments made by the Group in the financial year 2012, (ii) the services received by the Group from UOB was not material in the context of all the financial advisory and related services that the Group had received from its other banks and (iii) Mr Koh is required under the Company's policy to recuse himself from any transaction with UOB or any matter that might give rise to a conflict of interest with UOB and would abstain from voting on such proposals at Board meetings. Mr Koh has also demonstrated independence in character and judgement in the discharge of his responsibilities as a Director of the Company and there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgement based on his declaration received.

The Board has determined that Mrs Arfat Pannir Selvam be considered independent notwithstanding that she is a Director of the Company's listed subsidiary, CapitaMalls Asia Limited ("CMA") as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by CMA to the Company was not significant compared with the revenues received by the Group in the financial year 2012, (ii) the payments received by the Group from CMA for the corporate support services supplied were Interested Person Transactions ("IPTs") from CMA's perspective and would be on normal commercial terms since IPTs were regulated by Chapter 9 of the Listing Manual of SGX-ST, (iii) the corporate support services supplied were not material to the Group's business and (iv) Mrs Selvam is required under the Company's policy to recuse herself from any transaction with CMA or any matter that might give rise to a conflict of interest with CMA and would abstain from voting on such proposals at Board meetings. Mrs Selvam

has also demonstrated independence in character and judgement in the discharge of her responsibilities as a Director of the Company and there are no other relationships or circumstances that are likely to affect, or could appear to affect, her judgement based on her declaration received.

The Board has determined that Prof Kenneth Stuart Courtis be considered independent as he has demonstrated independence in character and judgement in the discharge of his responsibilities as a Director of the Company and there are no relationships or circumstances that are likely to affect, or could appear to affect, his judgement based on his declaration received.

The Board has determined that Mr John Powell Morschel be considered independent notwithstanding that he is Chairman of Australia and New Zealand Banking Group ("ANZ Bank") as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by the Group to ANZ Bank was not significant compared with the overall payments made by the Group in the financial year 2012, (ii) the services received by the Group from ANZ Bank was not material in the context of all the financial advisory and related services that the Group had received from its other banks and (iii) Mr Morschel is required under the Company's policy to recuse himself from any transaction with ANZ Bank or any matter that might give rise to a conflict of interest with ANZ Bank and would abstain from voting on such proposals at Board meetings. Mr Morschel has also demonstrated independence in character and judgement in the discharge of his responsibilities as a Director of the Company and there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgement based on his declaration received.

Mr Simon Claude Israel retired as Executive Director of Temasek Holdings (Private) Limited ("Temasek") on 1 July 2011. As Temasek is not a related company of the Company, he could technically be considered an independent Director under the Code. However as Temasek is the Company's major shareholder, the Board has determined that Mr Israel be considered non-independent until the next annual review of the Directors' independence.

The Board has determined that Ms Euleen Goh Yiu Kiang be considered independent notwithstanding that she is Director of DBS Bank as (i) the threshold of S\$200,000

recommended in Guideline 2.3(d) of the Code for payments made by the Group to DBS Bank was not significant compared with the overall payments made by the Group in the financial year 2012, (ii) the services received by the Group from DBS Bank was not material in the context of all the financial advisory and related services that the Group had received from its other banks and (iii) Ms Goh is required under the Company's policy to recuse herself from any transaction with DBS Bank or any matter that might give rise to a conflict of interest with DBS Bank and would abstain from voting on such proposals at Board meetings. Ms Goh has also demonstrated independence in character and judgement in the discharge of her responsibilities as a Director of the Company and there are no other relationships or circumstances that are likely to affect, or could appear to affect, her judgement based on her declaration received.

The Board has determined that Tan Sri Amirsham Bin A Aziz be considered independent notwithstanding that he is a Director of CMA as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by CMA to the Company was not significant compared with the revenues received by the Group in the financial year 2012, (ii) the payments received by the Group from CMA for the corporate support services supplied were IPTs from CMA's perspective and would be on normal commercial terms since IPTs were regulated by Chapter 9 of the Listing Manual of SGX-ST, (iii) the corporate support services supplied were not material to the Group's business and (iv) Tan Sri Amirsham is required under the Company's policy to recuse himself from any transaction with CMA or any matter that might give rise to a conflict of interest with CMA and would abstain from voting on such proposals at Board meetings. Tan Sri Amirsham has also demonstrated independence in character and judgement in the discharge of his responsibilities as a Director of the Company and there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgement based on his declaration received.

Mr Stephen Lee Ching Yen was appointed on 1 January 2013 as independent non-executive Director as the Board has determined that there are no relationships or circumstances that are likely to affect, or could appear to affect, Mr Lee's judgement based on his declaration received.

Mr Liew Mun Leong and Mr Lim Ming Yan are both executives of the Company and they are therefore deemed to be non-independent Directors.

CORPORATE GOVERNANCE REPORT

Principle 3: Chairman and Chief Executive Officer

To maintain effective supervision and accountability at each of the Board and Management levels, the positions of Chairman and CEO are held by separate individuals.

The non-executive Chairman leads the Board and acts independently in the best interests of the Company and its shareholders, while the CEO is responsible for the running of the Group's businesses.

The Chairman ensures that the members of the Board and Management work together with integrity, competency and moral authority, and that the Board constructively engages Management on strategy, business operations, enterprise risk and other plans.

The CEO is a Board member and has full executive responsibilities over the business directions and operational decisions of the Group. The CEO, in consultation with the Chairman, schedules Board meetings and finalises the preparation of the Board meeting agenda. He ensures the quality and timeliness of the flow of information between Management and the Board. He is also responsible for ensuring that the Company complies with corporate governance guidelines.

The Chairman and Mr Lim Ming Yan, the President & Group CEO, are not related family members. The Chairman and Mr Liew Mun Leong, the President and CEO in financial year 2012, are also not related family members.

Principle 4: Board Membership

Board renewal is a continual process, for good governance and to maintain relevance to the changing needs of the Group's businesses. Election of Board members is the prerogative and right of shareholders.

The NC is chaired by Mr Peter Seah Lim Huat and comprises Mr Ng Kee Choe, Mrs Arfat Pannir Selvam, Mr John Powell Morschel and Mr Simon Claude Israel. Mr Liew Mun Leong stepped down from the NC on 1 January 2013.

The majority of the NC members, including the Chairman, are independent non-executive Directors.

The NC ensures that the Board and Board Committees in the Group comprise individuals who are best able to discharge their responsibilities as Directors having regard to the law and the highest standards of corporate governance. In performing its role, the NC is guided by its Terms of Reference. In particular, the NC will recommend to the Board:

- (a) candidates for appointments to the Company's Board and Board Committees;
- (b) candidates to be the Company's nominees on the Boards of listed subsidiaries and/or associates within the Group; and
- (c) candidates to the Board and Board Committees of holding companies of the unlisted business units.

In addition, the NC shall:

- (a) make recommendations to the Board on the succession plans for Directors and the appointment of and succession plan for the CEO;
- (b) review and recommend the development of a process for evaluation of the performance of the Board, Board Committees and Directors;
- (c) review and recommend the training and professional development programmes for the Board;
- (d) consider annually, and as and when circumstances require, if a Director is independent, and shall provide its views to the Board for consideration;
- (e) review and decide if a Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representation and other principal commitments; and
- (f) review at least once a year the Company's corporate governance practices, having regard to relevant local and international developments in the area of corporate governance (including changes in applicable law, regulations and listing rules), and recommend changes to the Board.

The Board has delegated specific duties to the NC with regard to the selection, appointment and re-election of non-executive Directors. The Board has formalised the process for selecting, appointing and re-electing non-executive Directors to the Board as follows:

- (a) The NC will at least annually carry out proactive review of the Board composition as well as on each occasion that an existing non-executive Director gives notice of his or her intention to retire or resign. This is to assess the collective skills of non-executive Directors represented on the Board to determine whether the Board, as a whole, has the skills required to achieve the Group's strategic and operational objectives. The outcome of that assessment will be reported to the Board;
- (b) In carrying out this review, the NC will take into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity (including gender diversity);
- (c) The NC will identify suitable candidates for appointment to the Board having regard to the skills required and the skills represented on the Board;
- (d) External consultants may be used from time to time to access a wide base of potential non-executive Directors. Those considered will be assessed against a range of criteria including background, experience, professional skills and personal qualities. The NC and the Board will also consider whether a candidate's skills and experience will complement the existing Board and whether the candidate has sufficient time available to commit to his responsibilities as a Director;
- (e) The NC will make recommendations to the Board on candidates it considers appropriate for appointment;
- (f) A new Director will receive a formal Letter of Appointment and during the appointment process will also be given a copy of the New Directors' Manual (which includes information on a broad range of matters relating to the role of a Director);
- (g) All Directors on appointment will be required to undertake an induction programme to familiarise them with matters relating to the Company's business, strategy and any matters before the Board. The Induction Programme includes meetings with the Chairman of the Board, the Chairmen of the Board Committees, the CEO, the Company Secretary, the Group Chief Financial Officer ("CFO") and other key executive members;

- (h) Following appointment and induction, the Board will encourage Directors to continue their education by participating in formal workshops and attending relevant site visits. Directors are also encouraged to undertake relevant external training by attending briefings, market updates, etc;
- (i) Subject to the provisions of the Articles of Association of the Company ("Articles") and the Companies Act, the Board may appoint a person as a Director of the Company at any time but that person must retire, and may seek election by shareholders, at the next Annual General Meeting ("AGM");
- (j) In regard to the re-election of existing Directors each year, the NC will advise the Board of those Directors who are retiring in accordance with the provisions of the Articles of the Company;
- (k) The NC will make recommendations to the Board as to whether the Board should support the re-election of a Director retiring in accordance with the provisions of the Articles;
- (l) In making recommendations, the NC will undertake a process of review of the retiring non-executive Director's performance during the period in which the non-executive Director has been a member of the Board; and
- (m) A non-executive Director will serve a maximum of two three-year terms and thereafter by exception on the recommendation of the NC.

The above process shall be reviewed periodically at the discretion of the Board.

The Company's Articles require one-third of its Directors to retire and subject themselves to re-election ("one-third rotation rule") by shareholders at every AGM. In other words, no Director stays in office for more than three years without being re-elected by shareholders.

The CEO, as a Board member, is also subject to the one-third rotation rule. This separates his role as CEO from his position as a Board member, and enables shareholders to exercise their right to select all Board members.

In addition, a new Director appointed by the Board will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

CORPORATE GOVERNANCE REPORT

Directors who are above the age of 70 are also statutorily required to seek re-appointment at each AGM.

The NC has assessed that each Director in the Company is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they were in full time employment and their other responsibilities. All Directors had confirmed that notwithstanding the number of listed company board representations and other principal commitments, which the Directors held, they were able to devote sufficient time and attention to the affairs of the Company.

Directors who are seeking re-election at the next AGM on 26 April 2013 are stated in the Notice of AGM on pages 247 to 250 of the Annual Report.

Principle 5: Board Performance

We believe that Board performance is ultimately reflected in the long term performance of the Group.

The Board, through the NC, has ensured from the outset the requisite blend of background, experience and knowledge in technology, business, finance and management skills critical to the Group's businesses. It has from the outset ensured that each Director with his special contribution brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Renewal or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the needs of the Company and its business.

The Board has adopted a process whereby an external consultant will be appointed to assess the effectiveness of the Board and Board Committees annually. The consultant appointed is independent of and is not related to the Company or any of its Directors.

In financial year 2012, questionnaires were sent by the consultant to the Directors and the Senior Management and the findings were evaluated by the consultant and reported, together with the recommendations of the consultant, to the Chairman of the NC. The findings and the recommendations were reviewed by the Board.

Principle 6: Access to Information

We believe that the Board should be provided with timely, adequate and complete information prior to Board meetings, and as and when the need arises. As a general rule, Board papers are sent to Board members at least five working days before the Board meeting so that the members may better understand the matters prior to the Board meeting and discussion may be focused on questions that the members may have. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. New Board members are fully briefed on the businesses of the Group.

Management provides timely, adequate and complete information to the Board on Board affairs and issues requiring the Board's decision. It also provides ongoing reports relating to operational and financial performance of the Company, such as monthly management financial reports. The Articles of the Company provide for Directors to convene meetings by teleconferencing or videoconferencing. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through electronic means which include electronic mail, teleconferencing and videoconferencing. Alternatively, Management will brief Directors in advance before seeking the Board's approval.

The Board has access to Senior Management and the Company Secretary at all times. The Company Secretary attends to corporate secretarial administration matters and is the corporate governance advisor on corporate matters to the Board and Senior Management. The Company Secretary attends Board meetings. The Board also has access to independent professional advice where appropriate.

Board meetings for each year are scheduled in advance in the preceding year to facilitate Directors' individual administrative arrangements in respect of competing commitments.

(B) REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

We believe that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the building of management bench strength and the development of key executives. This is to ensure continual development of talent and renewal of strong and sound leadership for a sustainable business and a lasting company. The Company's ERCC plays a crucial role in helping to ensure that the Company is able to attract, recruit and retain the best talents to drive the Group's businesses forward.

The ERCC is chaired by Mr Peter Seah Lim Huat and comprises Mr Ng Kee Choe, Mr Simon Claude Israel and Mr Stephen Lee Ching Yen who was appointed on 1 February 2013. Mr Ng Kee Choe will be replacing Mr Peter Seah as Chairman of ERCC on 27 April 2013.

All the ERCC members, including the Chairman, are independent non-executive Directors.

The ERCC oversees executive compensation and development in the Group. It sets appropriate remuneration policies and designs competitive compensation packages with focus on long term sustainability of business and long term shareholders' return.

The ERCC is guided by its Terms of Reference. Specifically, the ERCC will in relation to each of the following areas:

Executive Remuneration Policy

- review and recommend to the Board a general framework of remuneration for key management personnel of the Group; and
- review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programmes;

Key Management Personnel

- consider, review, vary (if necessary) and recommend to the Board the entire specific remuneration package and service contract terms for each key management personnel in the Group excluding its listed subsidiaries (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the general framework of remuneration for key management personnel in the Group excluding its listed subsidiaries;

- consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to key management personnel in the Group excluding its listed subsidiaries; and
- ensure that their contracts of service contain fair and reasonable termination clauses which are not overly generous;

Equity Based Plans

- review and approve the design of all option plans, stock plans and/or other equity based plans in the Company;
- for each equity based plan, determine each year whether awards will be made under that plan;
- review and approve each award as well as the total proposed awards under each plan in accordance to the rules governing each plan, including awards to Directors and each key management personnel; and
- review, approve and keep under review performance hurdles and/or fulfillment of performance hurdles for each equity based plan in the Company;

Non-Executive Director Remuneration Framework

- review and recommend to the Board a general framework of remuneration (including Directors' fees) for non-executive Directors in the Group excluding its listed subsidiaries; and
- review and recommend to the Board specific remuneration packages for each Director in the Company;

Executive and Leadership Development

- oversee the development plans of Management with the aim of a continual build up of talent and renewal of strong and sound leadership to ensure the continued success of the Group and its businesses. It shall approve appointment of key management positions and review succession plans for key management positions in the Group (excluding the CEO) and oversee the development of key executives and talented executives in the Group.

The aim of the ERCC is to build capable and committed management teams, through competitive compensation, focused management, and progressive policies which can attract, motivate and retain a pool of talented executives to meet the current and future growth of the Company. The ERCC conducts, on an annual basis, a succession planning review of the CEO and selected key management positions in the Company. Potential internal and external candidates for succession are reviewed in the light of immediate, medium term and longer term needs and readiness.

CORPORATE GOVERNANCE REPORT

The principles governing the Company’s key management personnel remuneration policy are as follows:

<p>BUSINESS ALIGNMENT</p> <ul style="list-style-type: none"> Build sustainable value creation and drive wealth-added to align with longer term shareholder interests Provide sound, structured funding to ensure affordability and cost-effectiveness in line with performance goals Enhance retention of key talents to build strong organisational capabilities 	<p>FAIR & APPROPRIATE</p> <ul style="list-style-type: none"> Ensure remuneration is competitive relative to the appropriate external talent markets Manage internal equity so that remuneration systems are viewed as fair across the Group Significant and appropriate portion of pay-at-risk, taking into account risk policies of the Group, symmetrical with risk outcomes and sensitive to risk time horizon
<p>MOTIVATE RIGHT BEHAVIOURS</p> <ul style="list-style-type: none"> Pay for performance –align, differentiate and balance rewards according to multiple dimensions of performance Strengthen line-of-sight linking rewards and performance goals Foster Group-Wide Interests to recognise the interdependence of the various business units and drive superior outcomes 	<p>EFFECTIVE IMPLEMENTATION</p> <ul style="list-style-type: none"> Maintain rigorous corporate governance requirements Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations Facilitate employee understanding to maximise the value of the remuneration programs

The Board sets the remuneration policies in line with the Company’s business strategy and approves the executive compensation framework based on the key principle of tying pay to performance at the beginning of the financial year. The Board approves the guaranteed cash component based on position size and relevant market competitive levels of compensation, sets performance conditions for all incentive plans and reviews the potential compensation payouts for various levels of group, business unit and individual performance at the end of the financial year. The Board reviews the performance and the resulting incentives taking into account the relevant market competitive levels of compensation. The Board has access to the advice of independent remuneration consultant to assist with the above procedure.

In financial year 2012, the ERCC appointed an external counsultant Carrots Consulting Pte Ltd (“Carrots”) to provide professional advice on board and executive remuneration. Carrots and its principal consultant Mr Johan Grundlingh, is independent and is not related to the Company or any of its Directors. In its deliberations, the ERCC took into consideration industry practices and norms in compensation. Mr Liew Mun Leong, the President and CEO, was not present during the discussions relating to his own compensation and terms and conditions of service, and the review of his performance. He was in attendance when the ERCC discussed policies and compensation of his senior team and key staff which included contingent share awards, bonus, staff salary review and other incentive schemes.

One ERCC meeting was held in financial year 2012.

Non-executive Directors have remuneration packages consisting of Directors’ fees and attendance fees. The Directors’ fee policy is based on a scale of fees divided into basic retainer fees as Director and additional fees for attendance and serving on Board Committees. The fee structure for financial year 2012 is as follows:

	(S\$)
Basic Retainer Fee	
Board Chairman	167,000
Deputy Board Chairman	137,000
Director	78,000
Fee for appointment to Audit Committee and Investment Committee	
Committee chairman	60,000
Committee member	25,000
Fee for appointment to Executive Resource & Compensation Committee and Risk Committee	
Committee chairman	32,000
Committee member	22,000
Fee for appointment to any other Board Committee	
Committee chairman	28,000
Committee member	20,000
Attendance fee for Board/Board Committee meetings (per meeting)	
(a) Attendance in person	
<u>Board meeting</u>	
Local	4,000
Overseas	7,000
<u>Board committee meeting</u>	
Local	2,200
Overseas	7,000
(b) Attendance via conference telephone or similar communication equipment	
Local and Overseas	1,700
Attendance fee in person or otherwise for project committee meetings/verification meetings/other meetings where attendance of Directors is required (per meeting)#	
Local and Overseas	1,000

Non-executive Directors who served on the Board during financial year 2012 will be remunerated as to about 70 per cent. (70%) of his total Directors’ fees in cash and about 30 per cent. (30%) of his total Directors’ fees in the form of shares in the Company. The actual number of shares to be awarded will be based on the volume-weighted average price (“VWAP”) of the Company’s share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the date of the Company’s AGM, rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. However, in order to encourage the alignment of interests of the non-executive Directors with the interests of shareholders, a non-executive Director is required to hold shares in the Company worth at least one-time his annual basic retainer fee based on the VWAP of the Company’s share over the 14 trading days from (and including) the ex-dividend date (if any) following the date of the Company’s AGM or the total number of shares awarded under the above policy for financial year 2011 and onwards, whichever is lower, at all times during his Board tenure. Details of the Directors’ remuneration for financial year 2012 are provided in the Directors’ Remuneration section on page 70 of this Report. Directors’ fees in aggregate for non-executive Directors are subject to the approval of shareholders at the AGM.

The CEO as executive Director does not receive Director’s fees. He is the lead member of Management. His compensation consists of his salary, allowances, bonuses and contingent share awards. The latter is conditional upon him and the Company meeting certain performance targets. The details of the compensation package of Mr Liew Mun Leong, the President and CEO in financial year 2012, are provided in the Directors’ Remuneration section on page 70 of this Report.

Key management personnel’s compensation consist of salary, allowances, bonuses and contingent share awards. The latter is conditional upon the executive and the Company meeting certain performance targets. A significant proportion of executives’ remuneration is linked to the Company and individual performance in the form of share based and Economic Value Added based compensation. The Code requires a company to disclose the names of at least the top five key management personnel of the Company. The Company considers members of the Office of the President (“OPM”) as its key management personnel for financial year 2012. Apart from the then President and CEO Mr Liew Mun Leong who was the Executive Director, the other five members

CORPORATE GOVERNANCE REPORT

of the OPM for financial year 2012 were the then Chief Operating Officer Mr Lim Ming Yan, the then Chief Corporate Officer Ms Jennie Chua Kheng Yeng, the then Chief Executive Officer of CapitaLand Financial Limited Mr Wen Khai Meng, the then Chief Investment Officer Mr Olivier Lim Tse Ghow and the Group CFO Mr Arthur Lang Tao Yih. The details of their compensation package in bands of S\$250,000 and in percentage terms are provided in the Key Executives' Remuneration section on page 74 of this Report.

In performing the duties as required under its Terms of Reference, the ERCC ensures that remuneration paid to the CEO and key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets as determined by the ERCC are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short- and long-term quantifiable objectives. A Pay-for-Performance Alignment study was conducted by the external consultant and reviewed by ERCC and it was found that there was sufficient evidence indicating Pay-For-Performance Alignment for the Company in both Absolute and Relative terms for the 3-year period from financial year 2009 to financial year 2011.

For financial year 2012, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and the top five key management personnel other than the payment in lieu of notice in the event of termination in the employment contracts of the CEO and the top five key management personnel.

No employee of the Company and its subsidiaries was an immediate family member of a Director or the President and CEO and whose remuneration exceeded S\$150,000 during the financial year 2012. "Immediate family member" means the spouse, child, adopted child, step-child, sibling and parent.

Share awards which were made in 2012 were based on the CapitaLand Performance Share Plan 2010 and the CapitaLand Restricted Share Plan 2010 (the "New Share Plans") approved and adopted by the shareholders of the Company at the Extraordinary General Meeting held on 16 April 2010.

Upon the adoption of the New Share Plans, the existing CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan (the "Existing Share Plans") were terminated without prejudice to the rights of holders of outstanding options and awards. The New Share Plans carry the same terms as the Existing Share Plans except

that the maximum size of the shares to be issued has been reduced to 8% over the 10-year life of the New Share Plans (compared to 15% of the Existing Share Plans).

Details of the Existing Share Plans and New Share Plans as well as awards granted under the Existing Share Plans and New Share Plans are given in the Share Plans section of the Directors' Report from pages 140 to 145.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 45 days from the end of the quarter. Annual results are released within 60 days from the financial year-end. The Company's results for first three quarters and full year for financial year 2012 were all released on a timely basis, within 31 days of the end of the relevant quarter and within 51 days of the end of the full year. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's position and prospects.

For financial year 2012, the President and CEO and Group CFO have provided assurance to the Board on the integrity of the financial statements for the Group. For the interim financial statements, the Board has provided a negative assurance confirmation to shareholders, in line with the Listing Manual of the SGX-ST. For the full year financial statements, the Board has received an assurance from the President & Group CEO and the Group CFO set out in page 63 of this Report.

Principle 11: Risk Management and Internal Controls

The Company believes that it has in place a robust and effective system of internal controls addressing material financial, operational, compliance and information technology risks to safeguard shareholders' interests and the Group's assets, and also to manage risks.

The AC is responsible for making the necessary recommendation to the Board such that an opinion or comment regarding the adequacy and effectiveness of the risk management and internal control systems of the Group can be made by the Board in the annual report of the Company according to the Listing Manual of the SGX-ST and the Code. In this regard, the AC is assisted by the RC which was formed in 2002 as part of the Company's efforts to strengthen its risk management processes and framework.

The RC is chaired by Mr James Koh Cher Siang and comprises Ms Euleen Goh Yiu Kiang who was appointed on 30 April 2012, Tan Sri Amirsham Bin A Aziz who was appointed on 15 August 2012 and Mr Stephen Lee Ching Yen who was appointed on 1 February 2013. Mr Richard Edward Hale stepped down from the RC on 30 April 2012. Mrs Arfat Pannir Selvam stepped down from the RC on 1 February 2013. A total of four RC meetings was held in 2012.

The RC is guided by its Terms of Reference. Specifically, the RC assists the Board to:

- determine the Group's levels of risk tolerance and risk policies;
- oversee Management in the formulation, updating and maintenance of an adequate and effective risk management framework in addressing material risks including material financial, operational, compliance and information technology risks;
- make the necessary recommendation to AC and the Board such that an opinion or comment regarding the adequacy and effectiveness of the risk management and internal control systems can be made by the Board of Directors in the annual report in accordance to the Listing Manual of the SGX-ST and the Code;
- review the Group's risk profile regularly and the adequacy of any proposed action if necessary; and
- review any material breaches of risk limits and the adequacy of any proposed action if necessary.

The Company has an established risk identification and management framework developed with the assistance of an external consultant. In the Company, risks are proactively identified and addressed. The ownership of these risks lies with the respective business and corporate executive heads with stewardship residing with the Board. The RC assists the Board to oversee Management in the formulation, updating and maintenance of an adequate and effective risk management framework while the AC reviews the adequacy and effectiveness of the risk management and internal control systems. At the Management level, an Enterprise Risk Management Committee (ERMC) comprising key management personnel, is responsible for directing and monitoring the development, implementation and practice of Enterprise Risk Management ("ERM") across the Group. ERMC reports through President & Group CEO to the RC.

The Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks.

Business and corporate executive heads in the Group review and update the risk register regularly. The risk register is reviewed annually by the RC, the AC and the Board. The RC also reviews the approach of identifying and assessing risks and internal controls in the risk register.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal controls in the Group including testing, where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors are reported to the AC. The effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors is also reviewed by the AC. The system of risk management and internal controls is continually being refined by Management, the RC, the AC and the Board.

The Board has received assurance from the President & Group CEO and the Group CFO at the Board meeting on 20 February 2013 that:

- the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2012 give a true and fair view of the Group's operations and finances; and
- the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks. The President & Group CEO and the Group CFO have obtained similar assurance from the business and corporate executive heads in the Group.

Based on the framework established and the reviews conducted by Management and both the internal and external auditors throughout the financial year, as well as the assurance from the President & Group CEO and the Group CFO, the Board opines pursuant to Rule 1207(10) of the Listing Manual of the SGX-ST, with the concurrence of the AC, that the Group's internal controls were adequate as at 31 December 2012 to address financial, operational and compliance risks which the Group considers relevant and material to its operations.

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The Board notes that the system of risk management and internal controls established by the Company provides reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision making, human error, losses, fraud or other irregularities.

Principle 12: Audit Committee

The AC comprises Ms Euleen Goh Yiu Kiang who was appointed Chairman on 30 April 2012, Mr James Koh Cher Siang, Mrs Arfat Pannir Selvam and Tan Sri Amirsham Bin A Aziz who was appointed on 15 August 2012. Mr Richard Edward Hale stepped down from the AC on 30 April 2012. All the members of the AC, including the Chairman, are independent non-executive Directors. The members bring with them invaluable managerial and professional expertise in the financial, tax, legal and accounting domains.

The AC functions independently of the officers and other Directors of the Company who are not AC members. Such officers and other Directors of the Company who are not AC members may attend any particular AC meeting only at the AC's invitation, specific to the relevant meeting. Management is required to provide the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC.

The AC is responsible for overseeing the Internal Audit function. The AC ensures that the Internal Audit Department ("CL IA") is provided with adequate resources and that it has the appropriate standing within the Company to enable it to carry out its function effectively.

Where the AC becomes aware of any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the operating results or financial position of the Company, the AC shall discuss such matter with the external auditors and, at an appropriate time, report the matter to the Board.

The AC is guided by Terms of Reference which defines its scope of authority. Specifically, the AC shall:

- (a) review the Company's and the Group's financial statements and any public financial reporting with Management and external auditors for submission to the Board;
- (b) review with the external auditors their audit plan, audit report, management letter and the response from the Management or difficulties with Management encountered during the course of the audit;
- (c) review with the external and internal auditors the adequacy and effectiveness of the Group's internal control systems, including financial, operational, compliance and information technology controls;
- (d) make the necessary recommendation to the Board such that an opinion or comment regarding the adequacy and effectiveness of the risk management and internal control systems of the Group can be made by the Board in the annual report according to the Listing Manual of the SGX-ST and the Code;
- (e) review with the internal auditors, the programme, scope and results of the internal audit and Management's response to their findings to ensure that appropriate follow-up measures are taken;
- (f) review at least annually the adequacy and effectiveness of the internal audit function;
- (g) review with the external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial statements of the Company and the Group;
- (h) review IPTs for potential conflicts of interest;
- (i) review on a periodic basis the framework and processes established for the implementation of the terms of the collaboration agreement with CMA in order to ensure that such framework and processes remain appropriate;
- (j) review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest within the Group and propose, where appropriate, the relevant measures for the measurement of such conflicts;
- (k) review and resolve all conflicts of interest matters referred to it;

- (l) assess the suitability of the accounting firm as external auditors and recommend to the Board their appointment or re-appointment as external auditors for the coming year, to approve their compensation as negotiated by Management and to review and approve their discharge. The AC shall review the scope and results of the external audit and also assess the cost effectiveness, the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- (m) review filings with SGX-ST or other regulatory bodies which contain the Company's and the Group's financial statements and ensure proper disclosure;
- (n) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. The AC shall be empowered to retain independent counsel, accountants or others to assist in the conduct of any investigation;
- (o) report to the Board the work performed by the AC in carrying out its functions; and
- (p) consider any other matters, as defined by the Board.

The AC also reviews arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Pursuant to this, the AC has introduced a Whistle Blowing Policy where staff may raise improprieties to the AC Chairman, with the confidence that, in good faith, the staff making such reports will be treated fairly and be protected from reprisal. The AC confirms that no reports have been received under the Whistle Blowing Policy thus far.

A total of four AC meetings was held in 2012. The AC also held one meeting with the external auditors and internal auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal control, and the significant comments and recommendations by the auditors.

During financial year 2012, the Group CFO briefed the AC on the impact of the new accounting standards on the Group's consolidated financial statements. The external auditors also made a presentation on the new accounting standards at an AC Meeting.

Principle 13: Internal Audit

CL IA reports directly to the Chairman of the AC and administratively to the Group CFO. CL IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval prior to the beginning of each year. The AC also meets with CL IA at least once a year without the presence of Management.

CL IA is a corporate member of the Singapore branch of the Institute of Internal Auditors Inc. ("IIA"), which has its headquarters in the USA. CL IA subscribes to, and is guided by, the Standards for the Professional Practice of Internal Auditing ("Standards") developed by the IIA and has incorporated these Standards into its audit practices.

The Standards set by the IIA cover requirements on:

- (a) Independence;
- (b) Professional Proficiency;
- (c) Scope of Work;
- (d) Performance of Audit Work; and
- (e) Management of the Internal Auditing Department.

CL IA staff involved in Information Technology ("IT") audits are Certified Information System Auditors and members of the Information System Audit and Control Association ("ISACA") in the USA. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to be applied in IT audits.

To ensure that the internal audits are performed by competent professionals, CL IA recruits and employs suitably qualified staff. In order that their technical knowledge remains current and relevant, CL IA identifies and provides training and development opportunities to these staff.

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(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES Principle 14: Shareholder Rights

The Company treats all its shareholders fairly and equitably and keeps all its shareholders and other stakeholders and analysts in Singapore and around the world informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely and consistent basis.

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings of shareholders and informs shareholders of the rules, including voting procedures, governing such meetings.

Principle 15: Communication with Shareholders

The Company actively engages with its shareholders and has put in place its Investor Relations Policy to promote regular, effective and fair communication with its shareholders. The Policy is uploaded on the Company's website at www.capitaland.com and is reproduced on page 80 of the Annual Report.

The Company makes disclosures on an immediate basis as required under the Listing Manual of the SGX-ST, or as soon as possible where immediate disclosure is not practicable. Regular briefings and meetings for analysts and the media are held, generally coinciding with the release of the Group's second quarter and full-year results. During these briefings, Senior Management reviews the Group's most recent performance and discusses the Company's outlook. In the interest of transparency and broad dissemination, these briefings are webcast live and accessible to the public on the Company's website at www.capitaland.com, materials used in the briefings are disseminated via SGXNET and recordings of the briefings are also archived on the Company's website.

The Board has formed the CDC which is chaired by Mr James Koh Cher Siang and comprises Mrs Arfat Pannir Selvam and Mr Lim Ming Yan who was appointed on 1 January 2013. Mr Liew Mun Leong stepped down from the CDC on 1 January 2013. The CDC reviews the promptness and comprehensiveness of corporate disclosures and announcements made to the SGX-ST, and ensures the adoption of good corporate governance and best practices in terms of transparency to shareholders

and the investing community. The views and approvals of the CDC were sought throughout the year on various announcements and news releases issued by the Company.

In addition, the Company's Investor Relations and Corporate Communications departments facilitate effective communications with the Company's shareholders, analysts, fund managers and the media. In addition, the Company pursues opportunities to keep its retail shareholders informed through the business media, website postings and other publicity channels. Materials used in the briefings to institutional shareholders are also disseminated via SGXNET for easy access by retail shareholders.

In 2012, Senior Management conducted more than 500 meetings with institutional investors. Management also participated in investor conferences in Kuala Lumpur, New York, Frankfurt, Hong Kong, London, Amsterdam and Boston besides Singapore.

The Company has a policy on the payment of dividends. Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual profit after tax and non-controlling interests excluding unrealised revaluation gains or losses as well as impairment charges or write backs.

Principle 16: Conduct of Shareholder Meetings

The Company supports the Code's principle to encourage shareholder participation. Shareholders receive the summary financial report and notice of the AGM. Notice of the AGM is also advertised in the press and issued via SGXNET.

To ensure transparency in the voting process and better reflect shareholders' interest, the Company conducts electronic poll voting for shareholders/proxies present at the meeting for all the resolutions proposed at the AGM. Votes cast, for or against and the respective percentages, on each resolution will be tallied and displayed 'live-on-screen' to shareholders immediately at the AGM. The total number of votes cast for or against the resolutions and the respective percentages are also announced after the AGM via SGXNET. Voting in absentia and by email may only be possible following careful study to ensure that the integrity of the information and authentication of the identity of shareholders through the web are not compromised and legislative changes are effected to recognise electronic voting.

There are separate resolutions on each substantially separate issue.

Comprehensive minutes of the meetings are taken and are available to shareholders for their inspection upon their request.

Shareholders also have the opportunity to communicate their views and discuss with the Board and Management matters affecting the Company after the meetings.

The Group's communication efforts have been recognised by the investment community. In 2012, it was conferred a number of awards which are listed on page 28 of the Annual Report.

ADDITIONAL COMMITTEES

Apart from the Board Committees recommended by the Code and the CDC, the Company has also set up the IC and FBC.

The IC has been delegated the authority by the Board to approve the Group's investments and divestments, project budget variances, asset write-offs and disposals, reported losses of money, bad debt write-offs, granting of rebates and credits, rescheduling of recoverable debts, budget variances and procurement of goods and services within certain limits. The IC also approves the acceptance of credit facilities from financial institutions and capital markets. The IC is chaired by Mr Ng Kee Choe with effect from 1 May 2012 and comprises Prof Kenneth Stuart Courtis, Mr John Powell Morschel, Mr Simon Claude Israel and Mr Lim Ming Yan who was appointed on 1 January 2013. Dr Hu Tsu Tau stepped down from the IC on 30 April 2012. Mr Liew Mun Leong stepped down from the IC on 1 January 2013 and Mr Arthur Lang Tao Yih on 26 February 2013.

Six IC meetings were held in financial year 2012.

The FBC reviews the annual budget and financial policies of the Group. The FBC is chaired by Mr Peter Seah Lim Huat and comprises Mr Ng Kee Choe, Prof Kenneth Stuart Courtis and Mr Lim Ming Yan who was appointed on 1 January 2013. Mr Liew Mun Leong stepped down from the FBC on 1 January 2013 and Mr Arthur Lang Tao Yih on 26 February 2013.

The FBC is guided by its Terms of Reference. Specifically, the FBC:

- (a) reviews the annual budget or financial policies of the Group. The annual budget, after being endorsed by the FBC, shall be approved by the Board;
- (b) reviews the full year forecast and three-year outlook (if any) of the Group; and
- (c) reviews the Group Finance Manual which contains policies, procedures, financial authority limits and guidelines in areas such as accounting, treasury, investment appraisal, management and statutory reporting, and corporate governance. The Finance Manual and any updates, after being endorsed by the FBC, shall be approved by the Board.

Two FBC meetings were held in financial year 2012.

In financial year 2012, the Board also set up an ad-hoc Board Succession Committee comprising Mr Ng Kee Choe, Mr Peter Seah and Mr Simon Israel to manage the process for the succession of Mr Liew Mun Leong. The Committee met on a number of occasions. External and internal candidates were reviewed before the Board appointment Mr Lim Ming Yan as President & Group CEO with effect from 1 January 2013.

DEALINGS IN SECURITIES

Taking into consideration the SGX-ST Best Practices Guide, the Company has issued guidelines to Directors and employees in the Group, prohibiting dealings in the Company's securities (i) while in possession of material unpublished price-sensitive information, (ii) during two weeks before the release of the Company's results for the first three quarters and, (iii) one month before the release of the Company's full-year results. They are also discouraged from dealing in the Company's securities on short term considerations.

Directors and employees are also prohibited from dealing in securities of other listed companies in the Group while in possession of unpublished price-sensitive information by virtue of their status as Directors and/or employees. They are also made aware of the applicability of the insider trading laws at all times.

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COMPOSITION OF BOARD AND BOARD COMMITTEES IN 2012

Board Members	Audit Committee	Investment Committee	Executive Resource and Compensation Committee	Nominating Committee	Finance and Budget Committee	Corporate Disclosure Committee	Risk Committee
Dr Hu Tsu Tau ¹		C					
Ng Kee Choe ²		C	M	M	M		
Peter Seah Lim Huat			C	C	C		
Liew Mun Leong		M		M	M	M	
Richard Edward Hale ³	C						M
James Koh Cher Siang	M					C	C
Arfat Pannir Selvam	M			M		M	
Prof Kenneth Stuart Courtis		M			M		
John Powell Morschel		M		M			
Simon Claude Israel		M	M	M			
Euleen Goh Yiu Kiang ⁴	C						M
Tan Sri Amirsham Bin A Aziz ⁵	M						M
Non-Board Members							
Arthur Lang Tao Yih		M			M		

Denotes: C – Chairman M – Member

Notes:

¹ Retired as Chairman of the Board and Chairman of Investment Committee from the Annual General Meeting on 30 April 2012.

² Appointed as Chairman of the Board and Chairman of Investment Committee on 1 May 2012.

³ Retired as Chairman of Audit Committee and Member of Risk Committee from the Annual General Meeting on 30 April 2012.

⁴ Appointed as Chairman of Audit Committee and Member of Risk Committee on 30 April 2012.

⁵ Appointed as Member of Audit Committee and Risk Committee on 15 August 2012.

ATTENDANCE RECORD OF MEETINGS OF THE BOARD AND BOARD COMMITTEES IN 2012

	Board	Ad-hoc Board	Audit Committee	Investment Committee	Executive Resource and Compensation Committee	Nominating Committee	Finance and Budget Committee	Risk Committee	Board Succession Committee
No. of Meetings Held	4	3	4	6	1	3	2	4	1
Board Members									
Dr Hu Tsu Tau ¹	1	–		1					
Ng Kee Choe	4	3		6	1	3	2		1
Peter Seah Lim Huat	4	3			1	3	2		1
Liew Mun Leong	4	3		6		3	2		
Richard Edward Hale ²	1	–	2					2	
James Koh Cher Siang	4	3	4					4	
Arfat Pannir Selvam	4	2	4			3		4	
Prof Kenneth Stuart Courtis	4	2		6			2		
Dr Fu Yuning ³	–	–							
John Powell Morschel	4	3		6		3			
Simon Claude Israel	4	3		6	1	3			1
Euleen Goh Yiu Kiang ⁴	4	3	4					2	
Tan Sri Amirsham Bin A Aziz ⁵	2	2	1					1	
Non-Board Members									
Arthur Lang Tao Yih				6			2		

Notes:

¹ Retired as Chairman of the Board and Director and Chairman of Investment Committee from the Annual General Meeting on 30 April 2012.

² Retired as Director and Chairman of Audit Committee and Member of Risk Committee from the Annual General Meeting on 30 April 2012.

³ Retired as Director at the Annual General Meeting on 30 April 2012.

⁴ Appointed as Chairman of the Audit Committee and Member of Risk Committee on 30 April 2012.

⁵ Appointed as Director on 30 July 2012 and as Member of Audit Committee and Risk Committee on 15 August 2012.

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DIRECTORS' REMUNERATION

Directors' Compensation Table for the Financial Year Ended 31 December 2012:

Directors of the Company	Salary inclusive of AWS and employer's CPF \$	Bonus and other benefits inclusive of employer's CPF ⁽¹⁾ \$	Awards of shares ⁽²⁾ \$	Directors' fees inclusive of attendance fees ⁽³⁾		Total \$
				Cash component \$	Shares/Units component \$	
Payable by Company:						
Executive Director						
Liew Mun Leong	1,428,560.00	1,785,461.08	1,951,610.00	–	–	5,165,631.08
Sub-Total 1	1,428,560.00	1,785,461.08	1,951,610.00	–	–	5,165,631.08
Non-Executive Directors						
Dr Hu Tsu Tau ⁽⁵⁾	–	–	–	81,867.00	–	81,867.00
Ng Kee Choe	–	–	–	212,146.20	90,919.80	303,066.00
Peter Seah Lim Huat	–	–	–	187,040.00	80,160.00	267,200.00
Richard Edward Hale ⁽⁵⁾	–	–	–	66,133.00	–	66,133.00
James Koh Cher Siang	–	–	–	146,020.00	62,580.00	208,600.00
Arfat Pannir Selvam	–	–	–	149,240.00	63,960.00	213,200.00
Prof Kenneth Stuart Courtis	–	–	–	147,280.00	63,120.00	210,400.00
Dr Fu Yuning ⁽⁵⁾	–	–	–	26,000.00	–	26,000.00
John Powell Morschel	–	–	–	134,820.00	57,780.00	192,600.00
Simon Claude Israel	–	–	–	136,850.00	58,650.00	195,500.00
Euleen Goh Yiu Kiang	–	–	–	126,041.30	54,017.70	180,059.00
Tan Sri Amirsham Bin A Aziz ⁽⁶⁾	–	–	–	61,203.80	26,230.20	87,434.00
				1,474,641.30 ⁽⁴⁾	557,417.70 ⁽⁴⁾	
Sub-Total 2	–	–	–	2,032,059.00 ⁽⁴⁾	2,032,059.00	
Payable by Subsidiaries:						
Liew Mun Leong	–	–	–	366,500.00 ⁽⁷⁾	161,600.00 ⁽⁷⁾	528,100.00
Richard Edward Hale	–	–	–	97,000.00	–	97,000.00
James Koh Cher Siang	–	–	–	139,000.00	–	139,000.00
Arfat Pannir Selvam	–	–	–	77,700.00	33,300.00	111,000.00
Tan Sri Amirsham Bin A Aziz	–	–	–	59,500.00	25,500.00	85,000.00
				739,700.00	220,400.00	
Sub-Total 3	–	–	–	960,100.00	960,100.00	
Total for Directors of Company	1,428,560.00	1,785,461.08	1,951,610.00	2,992,159.00	8,157,790.08	

⁽¹⁾ The bonus figures consist primarily of Economic Value Added ("EVA") bonuses under the EVA incentive plan and are disclosed based on an accrual basis and accrued for the performance of the same year. The EVA bonus for the year 2012 is lower than 2011 due to lower portfolio gain. The EVA bonus accrued for year 2012 is credited into the bonus account and 1/3 of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a clawback feature, is positive.

⁽²⁾ For the year 2012, no contingent awards of shares has been granted under the CapitaLand Restricted Share Plan 2010 ("RSP") to all Directors except for Mr Liew Mun Leong. Contingent awards of shares under the RSP and the CapitaLand Performance Share Plan 2010 ("PSP") were granted to Mr Liew Mun Leong. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP. The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under the RSP and PSP at the time of grant.

Directors' Compensation Table for the Financial Year Ended 31 December 2012: (cont'd)

⁽³⁾ The directors' fees will only be paid upon approval by the shareholders at the forthcoming Annual General Meeting of the Company and its subsidiaries.

⁽⁴⁾ The total compensation of the non-executive Directors for 2012 of an aggregate amount of S\$2,032,059, if approved, will be paid as to S\$1,474,641.30 in cash, and S\$557,417.70 in the form of share awards under the RSP. Consequently, and in accordance with the "Directors' Fee Policy", a non-executive Director who served on the Board during 2012 (with the exception of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning, who retired from the Board during 2012) will be remunerated as to about 70 per cent. (70%) of his total Directors' fees in cash and about 30 per cent. (30%) of his total Directors' fees in the form of shares in the Company. The actual number of shares to be awarded will be based on the volume-weighted average price of a share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the Company's Annual General Meeting, rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. Each of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning will receive all of their Directors' fees in cash.

⁽⁵⁾ Dr Hu Tsu Tau and Mr Richard Edward Hale retired from the Board of the Company from the Annual General Meeting on 30 April 2012. Dr Fu Yuning retired from the Board of the Company at the Annual General Meeting on 30 April 2012.

⁽⁶⁾ Tan Sri Amirsham Bin A Aziz was appointed as Director of the Company on 30 July 2012.

⁽⁷⁾ Mr Liew Mun Leong is an employee of CapitaLand Limited. The cash component of his directors' fees will be paid to CapitaLand Limited, but he will be entitled to retain the shares component of the subsidiaries and/or units component of the real estate investment trusts managed by the subsidiaries.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REMUNERATION

Directors' Compensation Table for the Financial Year Ended 31 December 2011:

Directors of the Company	Salary inclusive of AWS and employer's CPF \$	Bonus and other benefits inclusive of employer's CPF ⁽¹⁾ \$	Awards of shares ⁽²⁾ \$	Directors' fees inclusive of attendance fees ⁽³⁾		Total \$
				Cash component \$	Shares/Units component \$	
Payable by Company:						
Executive Director						
Liew Mun Leong	1,373,680.00	2,601,541.07	1,506,034.00	–	–	5,481,255.07
Sub-Total 1	1,373,680.00	2,601,541.07	1,506,034.00	–	–	5,481,255.07
Non-Executive Director						
Dr Hu Tsu Tau ⁽⁴⁾	–	–	–	246,700.00	–	246,700.00
Peter Seah Lim Huat	–	–	–	166,040.00	71,160.00	237,200.00
Jackson Peter Tai ⁽⁴⁾	–	–	–	67,292.00	–	67,292.00
Richard Edward Hale ⁽⁴⁾	–	–	–	185,400.00	–	185,400.00
James Koh Cher Siang	–	–	–	133,700.00	57,300.00	191,000.00
Arfat Pannir Selvam	–	–	–	145,320.00	62,280.00	207,600.00
Prof Kenneth Stuart Courtis	–	–	–	136,290.00	58,410.00	194,700.00
Dr Fu Yuning ⁽⁴⁾	–	–	–	86,700.00	–	86,700.00
John Powell Morschel	–	–	–	115,488.10	49,494.90	164,983.00
Ng Kee Choe	–	–	–	86,671.90	37,145.10	123,817.00
Simon Claude Israel ⁽⁵⁾	–	–	–	126,700.00	54,300.00	181,000.00
Euleen Goh Yiu Kiang ⁽⁶⁾	–	–	–	23,246.30	9,962.70	33,209.00
				1,519,548.30 ⁽⁴⁾	400,052.70 ⁽⁴⁾	
Sub-Total 2	–	–	–	1,919,601.00 ⁽⁴⁾	1,919,601.00	
Payable by Subsidiaries:						
Liew Mun Leong	–	–	–	326,100.00 ⁽⁷⁾	147,000.00 ⁽⁷⁾	473,100.00
Richard Edward Hale	–	–	–	80,000.00	20,000.00	100,000.00
James Koh Cher Siang	–	–	–	99,200.00	24,800.00	124,000.00
Arfat Pannir Selvam	–	–	–	81,200.00	34,800.00	116,000.00
				586,500.00	226,600.00	
Sub-Total 3	–	–	–	813,100.00	813,100.00	
Total for Directors of Company	1,373,680.00	2,601,541.07	1,506,034.00	2,732,701.00	8,213,956.07	

⁽¹⁾ The bonus figures consist primarily of Economic Value Added ("EVA") bonuses under the EVA incentive plan and are disclosed based on an accrual basis and accrued for the performance of the same year. The EVA bonus for the year 2011 is lower than 2010 largely due to lower portfolio gain. The EVA bonus accrued for year 2011 is credited into the bonus account and 1/3 of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a clawback feature, is positive.

⁽²⁾ For the year 2011, no contingent awards of shares has been granted under the CapitaLand Restricted Share Plan 2010 ("RSP") to all Directors except for Mr Liew Mun Leong. Contingent awards of shares under the RSP and the CapitaLand Performance Share Plan 2010 ("PSP") were granted to Mr Liew Mun Leong. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP. The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under the RSP and PSP at the time of grant.

Directors' Compensation Table for the Financial Year Ended 31 December 2011: (cont'd)

⁽³⁾ The Directors' fees will only be paid upon approval by the shareholders at the forthcoming Annual General Meeting of the Company and its subsidiaries.

⁽⁴⁾ The total compensation of the non-executive Directors for 2011 of an aggregate amount of S\$1,919,601, if approved, will be paid out as to S\$1,519,548.30 in cash, and S\$400,052.70 in the form of share awards under the RSP. Consequently, and in accordance with the "Directors' Fee Policy", a non-executive Director who served on the Board during 2011 (with the exception of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning, who are retiring from the Board and Mr Jackson Peter Tai who retired from the Board during 2011) will be remunerated as to about 70 per cent. (70%) of his total Directors' fees in cash and about 30 per cent. (30%) of his total Directors' fees in the form of shares in the Company. The number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the SGX-ST over the 14 trading days immediately following the date of the Annual General Meeting, rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. Each of Dr Hu Tsu Tau, Mr Richard Edward Hale, Dr Fu Yuning and Mr Jackson Peter Tai will receive all of their Directors' fees in cash.

⁽⁵⁾ Mr Simon Claude Israel was an employee of Temasek Holdings (Private) Limited ("Temasek") until 30 June 2011. His fee for the period from 1 January 2011 to 30 June 2011 is S\$92,700 and will be paid entirely in cash to Temasek. His fee for the period from 1 July 2011 to 31 December 2011 is S\$88,300 and will be paid to him in the portion of S\$34,000 in cash and S\$54,300 in the form of share awards under the RSP. His total directors' fees of S\$181,000 for 2011 will be paid in accordance with the Directors' Fee Policy (see note (4) above).

⁽⁶⁾ Ms Euleen Goh Yiu Kiang was appointed as Director of the Company on 1 October 2011.

⁽⁷⁾ Mr Liew Mun Leong is an employee of CapitaLand Limited. The cash component of his directors' fees will be paid to CapitaLand Limited, but he will be entitled to retain the shares component of the subsidiaries and/or units component of the real estate investment trusts managed by the subsidiaries.

CORPORATE GOVERNANCE REPORT

KEY EXECUTIVES' REMUNERATION

Key Executives' Compensation Table for the Financial Year Ended 31 December 2012:

Total Compensation Bands	Salary inclusive of AWS and employer's CPF	Bonus and other benefits inclusive of employer's CPF ⁽¹⁾	Award of Shares ⁽²⁾	Total
Between S\$2,750,000 to S\$3,000,000				
Lim Ming Yan	31%	38%	31%	100%
Arthur Lang Tao Yih	20%	37%	43%	100%
Between S\$2,000,000 to S\$2,250,000				
Olivier Lim Tse Ghow	33%	29%	38%	100%
Wen Khai Meng	33%	31%	36%	100%
Between S\$250,000 to S\$500,000				
Jennie Chua Kheng Yeng ⁽³⁾	89%	11%	0%	100%
Total		S\$10,616,052		

⁽¹⁾ The bonus figures consist primarily of Economic Value Added ("EVA") bonuses under the EVA incentive plan and are disclosed based on an accrual basis and accrued for the performance of the same year.

⁽²⁾ The share awards are based on the fair value of the shares comprised in the contingent awards under the CapitaLand Restricted Share Plan 2010 ("RSP") and the CapitaLand Performance Share Plan 2010 ("PSP") at the time of grant. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP.

⁽³⁾ Jennie Chua Kheng Yeng retired from CapitaLand Limited on 31 July 2012.

RISK ASSESSMENT AND MANAGEMENT

ENTERPRISE RISK MANAGEMENT

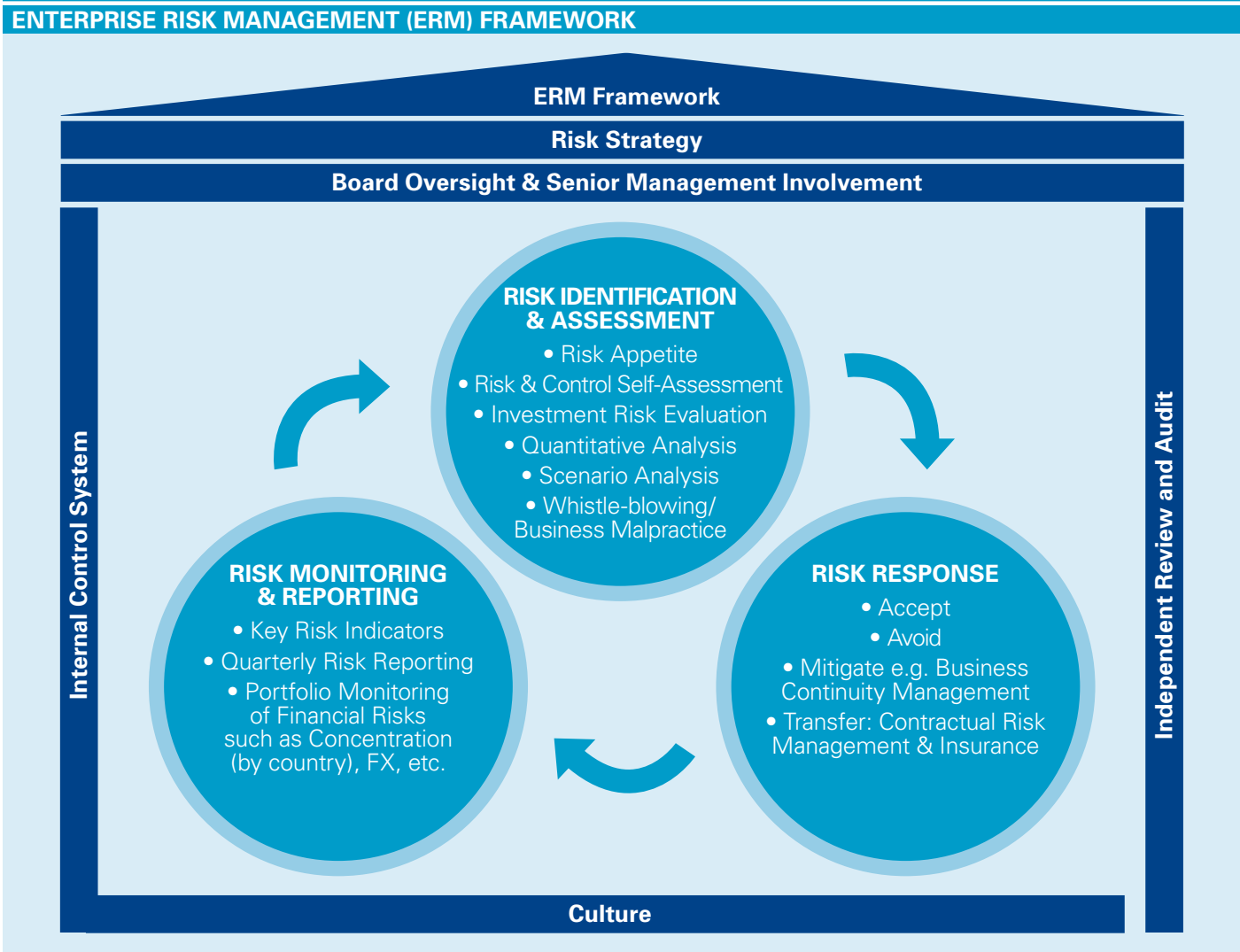
Risk Management is an integral part of CapitaLand's business activities whether at a strategic or operational level. Through proactive risk management, which supports the Group's business objectives and corporate strategy in core markets, value is created and preserved.

The Group recognises that risk management is about opportunities as much as threats. To capitalise on opportunities, the Group has to take risks. Therefore, risk management is not about pursuing risk minimisation as a goal but rather optimising the risk-reward relationship, within known and agreed risk appetite levels. The Group will therefore take risks in a prudent manner for justifiable business reasons.

The Board of Directors is responsible for the governance of risk across the Group. It is assisted by the Risk Committee (RC), which was established in 2002, to provide oversight of risk management at the Board level. The RC currently comprises four independent board members and meets on

a quarterly basis. The meetings are regularly attended by the President and Group CEO as well as other key management staff. The RC is assisted by the Risk Assessment Group (RAG), an independent in-house unit with highly specialised and professional members having diverse and vast experience in financial, operational and enterprise risk management.

An Enterprise Risk Management Committee (ERMC) comprising key management personnel at the Group level is responsible for directing and monitoring the development, implementation and practice of Enterprise Risk Management (ERM) across the Group. The ERMC reports through the President and Group CEO to the RC. It is supported by a network of Risk Champions from the different Strategic Business Units (SBUs) and corporate functions as well as various specialist support functions which are tasked to develop, implement and monitor risk management policies, methodologies and procedures in their respective areas. For example, the RAG covers the area of ERM while Operations Compliance Unit provides oversight and support in the area of Bribery and Corruption Prevention.



RISK ASSESSMENT AND MANAGEMENT

The Group has adopted an ERM framework that enables it to manage risks in an integrated, systematic and consistent manner. As a foundation to this framework, the Group aims to create a risk-aware culture which embeds prudent risk-taking in decision-making and business processes. To this end, the Group draws upon:

1. Its core values such as Integrity and Courage to do the right thing;
2. Its operating principles such as Corruption-Free, Financial Discipline and Entrepreneurship, Management, Technical Strengths (EMT);
3. Programmes and policies such as Code of Conduct, Open Door policy and the *Because iCare* programme to foster open discussion among management and staff; and Learning and Development activities to inculcate corporate values and cultures, etc.

A robust Internal Control system and an effective and independent Review and Audit process are the twin pillars that underpin the ERM framework. While the line management is responsible for the design and implementation of effective internal controls using a risk-based approach, the Internal Audit function reviews such design and implementation to provide reasonable assurance to the Audit Committee on the adequacy and effectiveness of the internal control system.

CapitaLand maintains a prudent risk profile by counterchecking business initiatives and potential investments with RAG and by investing in a mix of stable assets and development properties. On a quarterly basis, RAG generates and presents to the RC a comprehensive group-wide portfolio risk report that measures a spectrum of risks and keeps the Board and management apprised of the risk profiles of activities and investments in different countries. RAG employs an innovative, state-of-the-art Value-at-Risk (VaR) model that is adapted from the banking industry and is especially tailored for the real estate industry. This is a comprehensive risk measurement tool that measures the potential value deterioration of all key risk exposures of the Group using a historical simulation method.

KEY RISKS

At least once a year, the SBUs and various corporate functions will conduct an assessment of their risk and control environment. Key risks and their associated controls are consolidated and reviewed at the Group level before they are presented to the RC. The potential key risks include but are not limited to:

Economic Risk

The Group is exposed to major economies and key financial and property markets. This could reduce revenue, increase costs and result in revaluation losses. Market illiquidity during a financial crisis could make asset divestment challenging for the Group, hence it could affect the Group's investment or strategic objectives.

Among other things, the Group manages this by adopting a disciplined approach towards financial management. A team of in-house experts is also on hand to monitor the macro-economic environment and to advise the senior management and the SBUs on the macro-economic trends and their implications on the property market.

Property Market Risk

Real estate markets are cyclical in nature and are significantly affected by global and local conditions, such as government regulations, competition, consumer confidence, as well as demand and supply situations. Existing and new property exposures are subjected to stress testing and scenario analyses are evaluated with the VaR model to measure potential economic loss. Additionally, financial assumptions of project cash flows pertaining to new investments are benchmarked to ensure forecasts and projections are objective.

Over the past year, several rounds of property cooling measures and changes to policies related to the real estate market were implemented by the government, both in Singapore and China. Adopting a dynamic, proactive and prudent risk management approach, RAG conducted a comprehensive study to evaluate and analyse the impact of these measures and regulations on the Group's property exposure. Detailed findings were presented to the RC as a special focus item. Furthermore, to enhance the quarterly risk report, multiple scenario analyses and stress testing were performed and results were incorporated in the risk report.

Foreign Currency Risk

The Group operates internationally and is exposed to various currencies. Although the Group tries to naturally hedge its foreign currency exposure whenever possible by borrowing in the currency of the country in which the property investment is located or by borrowing in currencies that match future revenue streams generated by investments, it is exposed to substantial un-hedged currency positions from our equity investments in foreign currencies, especially in RMB and AUD, due to liquidity constraints and significant cost factors in hedging these open positions. Nevertheless, these and all other open currency positions are closely monitored, foreign currency risk evaluated and stress tested by RAG and extensive foreign exchange risk management reports are regularly submitted to the RC as part of the quarterly risk report. In 2012, RAG also partnered and worked closely with Group Treasury and Finance to study in detail the foreign currency risk arising from the Group's substantial investment into global markets. Comprehensive findings were presented to the RC.

Interest rate risk

The Group's interest rate risk exposure relates mainly to funding of its property investments. This is managed with a prudent mix of fixed and floating rate borrowing. This allows the Group to capitalise on lower cost of funding in a low interest rate environment and protect against potential rate hikes. An interest cost at risk stress simulation method was developed by RAG and it measures the potential rise in interest cost for a given debt portfolio in view of the prevailing low interest rate environment.

Development risk

New investments typically take several years to complete, depending on the size and complexity of the project. The risks of potential delays and cost overruns of ongoing development projects are regularly monitored and quantified with the VaR model, and reported to the RC.

Liquidity risk

To mitigate liquidity risk of not meeting financial obligations as they fall due, CapitaLand actively manages its debt maturity profile, operating cash flows and the availability of funding through multiple sources to ensure that all refinancing, repayment and funding needs are fulfilled.

Political & Policy Risk

The Group operates in numerous locations, some of which may experience political risks such as political leadership uncertainty, inconsistency in public policies, social unrest, etc. Such risks could result in the deterioration of the economic or social conditions and affect the financial viability of the Group's investments or even its control of assets in these countries. To mitigate this, local operations are run by experienced management team supported by local team who are both familiar with the local conditions and culture. Concentration risk in a single country is also avoided through a risk-based country asset allocation system. This uses a multi-faceted and risk-adjusted methodology based on CapitaLand's investment strategy, sovereign risk ratings by international rating agencies and macroeconomic views from the Group's in-house Economic Unit.

Investment Risk

At the individual project level, to ensure that all significant risks are identified and quantified, RAG continues to perform an independent risk evaluation for all individual investment proposals above a stipulated investment value threshold. Risks of each proposal are highlighted and all parameters are benchmarked against objective market comparables and historical projects undertaken by the Group. Where possible, mitigation strategies are then proposed.

The prolonged financial crisis has reinforced the importance and value of comprehensive and effective risk management. To ensure that the potential returns of new investments are commensurate with the risks undertaken, risk-adjusted weighted average cost of capital and hurdle rates of individual countries and business units are calculated by RAG according to their respective risk profiles and adopted as investment benchmarks. They are reviewed annually and when necessary, adjustments are made to reflect higher business risk and costs of investments. This ensures that every investment undertaken will create value for stakeholders on a risk-adjusted basis.

RAG continues to promote a culture of risk awareness by developing business development teams and equipping them with optimal risk management skills. In 2012, RAG conducted two workshops at CapitaLand Institute of Management and Business. The workshop sessions included but were not limited to investment risk analysis and best practices, and lessons learnt from past investment proposals were interactively shared with staff.

STAKEHOLDER COMMUNICATION

CapitaLand is committed to communicate regularly with shareholders, investors, analysts and the media to provide timely and consistent updates on quarterly financial results and corporate activities.

The Group maintains a high level of investor interaction with its stakeholders through face-to-face meetings, teleconferences, investor conferences, roadshows, site visits and analyst conferences and briefings.

In 2012, Senior Management conducted more than 500 meetings with fund managers and institutional investors. In addition, management also attended 10 conferences including DBS Vickers Pulse of Asia Conference, Bank of America Merrill Lynch ASEAN Star Conference, Nomura ASEAN All Access Conference, Citi Global Property CEO Conference and Credit Suisse 15th Asian Investment Conference.

The Investor Relations team facilitated 22 site visits for fund managers and investors to gain a better insight of projects developed in Singapore and China. Some of the projects the fund managers and investors visited include The Pinnacle (Shanghai), The Paragon (Shanghai), Raffles City Shanghai, Raffles City Chongqing, Dolce Vita (Guangzhou), and the residential sites of Sky Habitat, Bedok Residences, d’Leedon and The Interlace in Singapore.

CapitaLand also proactively engages the media in the markets where it has a presence. In 2012, targeted media from China and Hong Kong visited Singapore for a first-hand insight of the Group’s developments in the Republic. Interviews taken by senior management with key Singapore print and broadcast media also helped to increase understanding of the Group’s strategy and operations.

In 2012, a familiarisation trip for the media and analysts was organised to showcase the Group’s developments in Chengdu, Chongqing and Beijing. During the trip, CapitaLand shed light on how it intends to deepen its presence in the China market with a showcase of its residential developments (mid to high-end properties), shopping malls and mixed developments to reinforce its long-term commitment in China.

CapitaLand also communicates with the media and investment community through other communication tools such as news releases and its user-friendly corporate website to provide real-time updated information.

The Group’s communication efforts have been recognised by the investment community. In 2012, CapitaLand was conferred a number of awards, including the Most Transparent Company – Golden Circle Award and Most Transparent Company (Real Estate) Award in the Securities Investors Association (Singapore) Investors’ Choice Awards 2012; and Best Investor Relations (Large Cap) – Gold Award in the Singapore Corporate Awards 2012. CapitaLand was also accorded the Best Investor Relations By Sector (Real Estate) and Best Investment Community Meetings, and Mr Arthur Lang, its CFO, was also conferred the Best Investor Relations by a CFO, in the IR Magazine South East Asia Awards 2012.

2012 AWARDS

ALPHA SOUTHEAST ASIA <ul style="list-style-type: none"> Most Organised Investor Relations Strongest Adherence to Corporate Governance Best Strategic Corporate Social Responsibility
EUROMONEY REAL ESTATE GLOBAL POLL 2012 <ul style="list-style-type: none"> Best Developer in Singapore Best Residential Developer in Singapore Best Mixed-use Developer in Singapore
IR MAGAZINE SOUTH EAST ASIA AWARDS 2012 <ul style="list-style-type: none"> Best Investor Relations By Sector – Real Estate Best Investor Relations By a CFO – Arthur Lang Best Investment Community Meetings South East Asia Top 25 (3rd)
SINGAPORE CORPORATE AWARDS 2012 <ul style="list-style-type: none"> Best Investor Relations (Large Cap) – Gold
SECURITIES INVESTORS ASSOCIATION (SINGAPORE) INVESTORS’ CHOICE AWARDS 2012 <ul style="list-style-type: none"> Most Transparent Company – Golden Circle Award Most Transparent Company (Real Estate) – 12th Consecutive year
THE ASSET <ul style="list-style-type: none"> Asset Asia Award 2012 (Real Estate) – Platinum
WORLD FINANCE <ul style="list-style-type: none"> Included in World Finance 100

2012 INVESTOR RELATIONS CALENDAR

1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
<ul style="list-style-type: none"> FY2011 Financial results briefing to media and analysts and live webcast DBS Vickers Pulse of Asia Conference BofA Merrill Lynch ASEAN Star Conference Nomura Non-Deal Roadshow Citi Global Property CEO Conference Credit Suisse 15th Asian Investment Conference 	<ul style="list-style-type: none"> Annual General Meeting Release of 1Q2012 financial results Citi Asia Pacific Property Conference HSBC 2nd Annual ASEAN Conference 3rd Annual DB Access Asia Conference 	<ul style="list-style-type: none"> 1H2012 financial results briefing to media and analysts and live webcast Nomura Asia Equity Forum CIMB ASEAN Conference Goldman Sachs Non-Deal Roadshow Macquarie ASEAN Conference UBS ASEAN Conference 	<ul style="list-style-type: none"> Release of 3Q2012 financial results Morgan Stanley 11th Annual Asia Pacific Summit BNY Mellon 6th Annual Depositary Receipt Issuers’ Conference



A guided tour of Raffles City Chengdu during the media and analyst trip to Chengdu, Chongqing and Beijing in 2012

STAKEHOLDER COMMUNICATION

SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS POLICY

1. GENERAL POLICY

At all times, CapitaLand is committed to making timely, full and accurate disclosure and distributing other corporate communications materials* in accordance with the Singapore Code of Corporate Governance 2012.

- 1.1 All disclosures submitted to the Singapore Exchange Securities Trading Limited ("SGX-ST") through SGXNET shall be made available on CapitaLand's well maintained and updated corporate website.
- 1.2 This Policy is subject to regular review by the senior management and board of directors of CapitaLand (the "Board") to ensure its effectiveness. Updates and amendments (as appropriate) will be made to reflect current best practices in our communication with Shareholders and the investment community.

* Other corporate communication materials refer to any document issued or to be issued by CapitaLand for the information or action of its Shareholders, including, but not limited to, the annual report, a notice of meeting, a circular and a proxy form.

2. SHAREHOLDER RIGHTS

CapitaLand is also committed to treating all Shareholders fairly and equitably, and would recognise, protect and facilitate the exercise of Shareholders' rights, and continually review and update such governance arrangements by adhering by the following guidelines:

- 2.1 CapitaLand would facilitate the opportunity for Shareholders to participate effectively in and vote at general meetings of Shareholders. The Shareholders would also be informed of the rules, including voting procedures that govern general meetings of Shareholders.
- 2.2 CapitaLand would allow corporations which provide nominee or custodial services to appoint more than two proxies so that Shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

3. COMMUNICATION PRINCIPLES

- 3.1 CapitaLand strives to provide pertinent and accurate information to its Shareholders and the investment community in an effective and timely manner.
- 3.2 CapitaLand will use clear and plain language in its communication with its Shareholders.
- 3.3 CapitaLand endeavours to provide a consistent level of disclosure on both positive and negative developments of the organisation.
- 3.4 CapitaLand will communicate only through its designated spokespersons.
- 3.5 CapitaLand and its designated senior spokespersons will establish and maintain regular dialogue with Shareholders, analysts and the media community through press cum analysts' briefings, investor roadshows or Investors' Day briefings in order to solicit and understand the views of Shareholders, analysts and media.
- 3.6 CapitaLand does not respond to rumours. However, if rumours indicate that material information has been leaked or they are in fact false or inaccurate, the rumours will be promptly denied or clarified via announcements made through SGXNET to SGX-ST.
- 3.7 CapitaLand observes a "blackout period" of two weeks prior to the announcement of its quarterly results and one month prior to the announcement of its full-year results. During this period, CapitaLand does not comment on industry outlook, the Group's business performance and financial results.

4. COMMUNICATION STRATEGIES

- 4.1 CapitaLand actively engages its Shareholders and the investment community via:
 - (i) Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") if necessary;
 - (ii) quarterly results presentation slides and financial results announced via SGXNET to SGX-ST and posted on CapitaLand's corporate website;
 - (iii) half yearly media and analysts' briefings for half-year and full-year financial results, with "live" webcasts available for viewing on CapitaLand's corporate website;
 - (iv) one-on-one/group meetings or conference calls, investor luncheons, local/overseas roadshows and conferences;
 - (v) site, property and mall visits;
 - (vi) annual reports;
 - (vii) news releases and statements;
 - (viii) notices of, and explanatory memoranda for AGMs and EGMs; and
 - (ix) corporate website (www.capitaland.com)

Investors' Communication

- 4.2 CapitaLand meets with investors, the media and analysts at appropriate times and participates in investor roadshows, and sector conferences throughout the year.
- 4.3 Upon the release of half-year and full-year financial results, CapitaLand will hold media and analysts' briefings. "Live" webcasts of the briefings are recorded and archived on the corporate website within a reasonable time after the relevant briefing.

Shareholders' Meetings

- 4.4 CapitaLand's AGMs are the principal communication channels with its Shareholders and for Shareholders' participation.
- 4.5 All Shareholders are sent a copy of CapitaLand's summary report with notice of AGM prior to the AGM. As and when an EGM of the Shareholders is to be held, each Shareholder will be sent a copy of a circular with notice of EGM which contains details of the matters to be proposed for Shareholders' consideration and approval.

- 4.6 Notices for the general meetings setting out all items of business to be transacted at the general meeting, are also announced via SGXNET to SGX-ST.
- 4.7 Members of the Board, CapitaLand's senior management and the external auditors of the organisation are in attendance at all general meetings to address Shareholders' queries. Shareholders are given the opportunity to communicate their views on various matters affecting CapitaLand. A Shareholder is allowed to appoint up to two proxies to attend and vote at the general meetings in his/her stead.
- 4.8 CapitaLand supports voting by poll at all general meetings and the poll results are announced via SGXNET to SGX-ST on the same day of each Shareholders' meeting.

Corporate Website

- 4.9 CapitaLand maintains a corporate website (www.capitaland.com). CapitaLand's business developments and operations, financial reports, announcements, news releases and other information are posted on its corporate website. Both current information and archives of previously released information including presentation slides and announcements can be found under the "Investor Relations" section of the corporate website.

5. COMPANY CONTACTS

- 5.1 Shareholders can contact our Singapore Share Registrar at the following address:

M&C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902
Telephone: +65 6227 6660
Fax: +65 6225 1452

- 5.2 Shareholders and the investment community can contact CapitaLand's investor relations team by telephone at +65 6823 3200, or by fax at +65 6820 2202 or by email at ask-us@capitaland.com.

6. SHAREHOLDER PRIVACY

CapitaLand recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent unless required by law.

ENVIRONMENT, HEALTH AND SAFETY

Environmental, health and safety (EHS) is of utmost importance to CapitaLand. The Group's EHS objectives are guided by its belief that reducing the environmental footprint of its buildings and having an emphasis on occupational health and safety creates value for its stakeholders and is beneficial to the community at large. Its stakeholders include employees, tenants, contractors, suppliers and users of its properties.

As an international corporate social citizen, CapitaLand is committed to protecting the environment and upholding the occupational health and safety of everyone in the workplace, and will:

- Carry out exemplary Environmental, Health and Safety practices to minimise pollution and health and safety risks
- Seek continual improvement on its Environmental, Health and Safety performance
- Comply with pertinent legislations and other requirements
- Implement the CapitaLand Green Buildings Guidelines and Occupational Health and Safety programmes.

This policy is published on www.capitaland.com and is readily available to all employees, suppliers, service providers and partners.

In 2012, CapitaLand became the first and largest real estate company in Asia to receive ISO 14001 and OHSAS 18001 certification covering 15 countries. These international standards are externally audited annually.

CapitaLand was listed in the Global 100 Most Sustainable Corporations in the World, Sustainability Yearbook, Dow Jones Sustainability World Index, one of the Asian Leaders in the Global Real Estate Sustainability Benchmark (GRESB), ASEAN Business Awards 2012 for CSR (Large Company). CapitaLand was accorded the Building and Construction Authority (BCA) Green Mark Champion. Its residential business in Singapore won the Workplace Safety and Health (WSH) Developer Award.

CapitaLand incorporated EHS Key Performance Indicators (KPIs) linked to the remuneration of all staff, as well as top management. These include green rating for its development projects, energy and water reduction for its operating properties, certified main contractors and zero fatality/permanent disability of its employees, as follows:

Green Ratings: In 2012, CapitaLand achieved 20 green ratings. In Singapore, these include BCA's top rating Green Mark Platinum for Bedok Residence, Bedok Mall, Bugis+, CapitaGreen and Junction 8. In China, Luwan integrated development achieved the LEED pre-certification Gold rating, while The Lakeside, Wuhan was awarded 1 Star Green Building Label by the Ministry of Housing and Urban-Rural Development – the first mass market residence to achieve green rating. In UK, Citadines Prestige Trafalgar Square London obtained CapitaLand's first BREEAM certification achieving a "Very Good" rating.

Energy and Water Usage Reduction: For the first ten months of 2012, the reduction in energy usage in KWh/m² was 10.8% and the reduction in water usage in m³/m² was 16% from the 2008 baseline. CapitaLand will continue to implement energy and water conservation measures to ensure efficient operations and minimise resource wastage.

Achieved Certification in 15 Countries

The first and largest real estate company in Asia to receive ISO 14001 and OHSAS 18001 certification covering 15 countries for its Environmental, Health and Safety Management System

Green Mark Champion Award

CapitaLand wins BCA Green Mark Champion Award. A total of 68 Green Mark Awards have been accorded to the Group's properties in Singapore, China, Malaysia and Vietnam



Awards recipients of the inaugural CapitaLand Because iCare Awards for Environment, Health and Safety

Certified Contractors: In 2012, nine main contractors appointed were both ISO 14001 and OHSAS 18001 certified. They implemented EHS measures at CapitaLand construction sites as part of their certified EHS Management System.

Zero Fatality/Permanent Disability: In 2012, none of CapitaLand's staff met with work-related fatality or permanent injury.

Beyond developing and operating environmentally sustainable properties in line with EHS best practices, CapitaLand actively engages its stakeholders. In 2012, it held its inaugural *Because iCare* Awards for Environment, Health and Safety to recognise its contractors, tenants, service providers and staff for their contribution to EHS in CapitaLand. Over 20 companies and individuals received the awards.

CapitaLand participates in national efforts towards environmental protection, climate change, and occupational health and safety. In Singapore, CapitaLand is represented in the Singapore Green Building Council, WSH Council on Construction and Real Estate, and BCA Green Mark Advisory Committee.

Australand, one of CapitaLand's regional investments in Australia, was represented in EHS Committees and workgroups in various cities and states. It was also the Gold Sponsor of the Green-Star-Communities rating tool by the Green Building Council of Australia. The objective of this rating is to establish a framework for sustainable large scale community development projects across Australia. Australand staff participated in developing this rating.

Recognising more than 20 stakeholders with the *Because iCare* Awards for Environment, Health and Safety

PEOPLE

Recruit, Develop and Motivate

CapitaLand has an integrated human capital strategy to recruit, develop and motivate employees

In CapitaLand, developing and growing human capital is integral to its business strategy. CapitaLand has an integrated human capital strategy to recruit, develop and motivate employees. In line with its credo of "Building People", employees are provided with appropriate development opportunities to perform well in their jobs as they align their individual goals with the company's business objectives. Through deploying progressive workplace policies and practices while inculcating the company's core values, a positive work environment is created for employees to contribute and pursue their career growth.

HUMAN CAPITAL

CapitaLand identifies talents internally and externally to build bench strength as well as talent pipeline for leadership succession planning. CapitaLand recruits talents through its network of local and overseas universities, and also attracts young talents early through scholarship programmes such as the CapitaLand-BCA Scholarship, CapitaLand-NUS-USP Scholarship, CapitaLand International Scholarship and CapitaLand-MOM National Human Resources Scholarship. Aside from fresh graduates, CapitaLand also employs experienced and mid-career professionals as well as industry veterans.

In 2012, CapitaLand expanded its corporate learning and development capability to establish its first CapitaLand Institute of Management and Business (CLIMB) overseas in Shanghai, China. It targets to serve the training needs of about 7,000 employees in China. CLIMB China signed a Memorandum of Understanding (MOU) with Tongji University's School of Economics and Management in Shanghai to expand its network of training partners. Through the partnership, CapitaLand employees can benefit from the teaching faculty and training resources in real estate and business management programmes in this prestigious university. CLIMB has provided over 10,850 training places since inception.

The Ascott Centre for Excellence (ACE), Ascott's global hospitality training centre in Singapore, has provided more than 4,000 training places since 2008, including employees from the hotel and accommodation services sector.

CapitaLand employees are encouraged to be creative and innovative in generating new ideas, solving problems and continuous improvement. Employees can do so by participating in programmes such as in ICE (Innovation, Creativity, and Entrepreneurship) activities. To date, more than 2,000 employees have shared ideas at 40 ICE camps and related activities held in various countries.

COMPETITIVE COMPENSATION/ BENEFITS

CapitaLand motivates and rewards employees with comprehensive and competitive compensation and benefits programmes. Incentives include short-term cash bonuses and long-term equity-based reward plans. The performance-based Restricted Share Plan (RSP) is an attractive long-term incentive offered to employees of managerial grades to provide them with a personal stake in the company, contingent on achieving performance targets. This better aligns employee and shareholder interests to deliver business results. For non-managerial grade employees, an equivalent Restricted Cash Plan (RCP) was implemented with effect from FY2012 to give out cash award when targets are met. The incentive pool is funded by the Group's profitability and economic value-added (EVA) performance to award employees based on their job responsibilities and individual work performance.

Regular benchmarking against markets as well as innovation in compensation strategies ensure CapitaLand remains competitive and continues to attract and retain talent.

POSITIVE WORK ENVIRONMENT

CapitaLand recognises that a positive work environment will better attract, motivate and retain talent. A total employee well-being programme is in place to promote personal development, health and work-life harmony. Initiatives include a flexible medical and benefits plan, flexible work arrangements, employee engagement initiatives, and subsidised rates at Ascott's serviced residences. CapitaLand has grown significantly over the years to be an international company with business presence in more than 20 countries and 110 cities. Work improvement programmes have been implemented to raise the level of employee engagement under the various Because iCare initiatives. The diversity of employee profiles provides competitive advantage to have balance and scale in the various business locations internationally, guided by the company's core values and operating principles.

CapitaLand has grown significantly over the years to be an international company with business presence in more than 20 countries and 110 cities

10,850 Training Places

CapitaLand Institute of Management and Business (CLIMB) has provided over 10,850 training places since inception



Employees are provided with appropriate development opportunities to perform well in their jobs as they align their individual goals with the company's business objectives

COMMUNITY

>S\$18m
Donated
Since 2005

CapitaLand Hope Foundation has donated over S\$18 million to support education, healthcare and shelter needs for underprivileged children

CapitaLand is committed to be a good corporate citizen through its community development efforts in countries where it operates. CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand, was established in 2005 to further its commitment to build a better future for underprivileged children. Every year, CapitaLand allocates up to 0.5% of its net profit to the Foundation. Since 2005, CHF has donated over S\$18 million to support education, healthcare and shelter needs for underprivileged children aged six to 16 in Singapore and overseas.

In Singapore, CapitaLand continued to extend its reach to the underprivileged children in 2012 through Green for Hope @ CapitaLand, a creative recycling campaign that marries green efforts with philanthropy. The programme matches donations to recyclable waste collected at participating CapitaLand properties and raised S\$700,000 to benefit more than 5,000 underprivileged children under the five Community Development Councils in Singapore.



Overseas staff volunteer expedition at CapitaLand Longdong Hope School, Sichuan, China

As the Presenting Sponsor and Conservation Donor of the 10-year Singapore-China Giant Panda Collaborative Programme, CapitaLand aims to enhance awareness about wildlife conservation and develop educational programmes to engage underprivileged children in contributing towards biodiversity. Through the CapitaLand *Because iCare* Kai Kai and Jia Jia Charity Drive, CHF raised more than S\$300,000 to benefit President's Challenge 2012. Corporate donors bought 10 limited edition Kai Kai and Jia Jia philatelic frames and more than 10,000 *Because iCare* Kai Kai and Jia Jia panda eco-bags were sold to the public across CapitaLand properties in Singapore to raise funds. The charity drive was launched by President Tony Tan Keng Yam at the new Giant Panda Forest.

In line with its credo of 'Building People', CapitaLand embarked on a 10-year support programme called CapitaKids Programme in Singapore and China. The programme commits to support the education needs of a selected group of underprivileged children known as CapitaKids, for a period of 10 years. In China, the programme was awarded 2012 Excellent CSR Case by China Association of Social Workers and China Philanthropy Times. With education being pivotal in breaking the vicious cycle of poverty and social exclusion, CapitaLand has also helped to build 23 CapitaLand Hope Schools in remote areas of China as well as one CapitaLand Hope School in Vietnam to provide underprivileged children with a conducive learning environment.

For its efforts, CapitaLand was awarded Singapore Compact CSR Awards 2012 – Best Community Developer Award and 2012 ASEAN Business Awards – Most Admired ASEAN Enterprise for the category of Corporate Social Responsibility (Large Company). CapitaLand China was also conferred China Best Corporate Citizen Award for the fifth year running in 2012 by the China Committee of Corporate Citizenship and CCTV2 in recognition of its excellent CSR practices in China.

CapitaLand actively promotes volunteerism in its people. As the first company in Singapore to formalise a three-day Volunteer Service Leave system, CapitaLand has expanded its leave policy to include Volunteer No Pay Leave and Volunteer Part-Time Leave. In 2012, more than 2,000 CapitaLand staff volunteered over 19,000 hours during work days to participate in various volunteering activities across Asia. The company achieved about 17% staff volunteer participation rate group-wide.

Over 260 volunteering activities were rolled out in 2012 in Asia where staff volunteers interacted with over 26,000 children beneficiaries supported by CHF. For example, two volunteer expeditions to China and Indonesia were organised to engage staff in overseas community service projects. Thirty staff volunteers spent almost a week at CapitaLand Longdong Hope School in Sichuan, China to set up a reading room, a library with a collection of 10,000 books as well as a dining hall.

CapitaLand was awarded Singapore Compact CSR Awards 2012 – Best Community Developer Award and 2012 ASEAN Business Awards – Most Admired ASEAN Enterprise for the category of Corporate Social Responsibility (Large Company)

>19,000
Volunteer Hours

More than 2,000 CapitaLand staff volunteered over 19,000 hours during work days to participate in various volunteering activities across Asia

GLOBAL PRESENCE

As at 21 February 2013

Asia Pacific

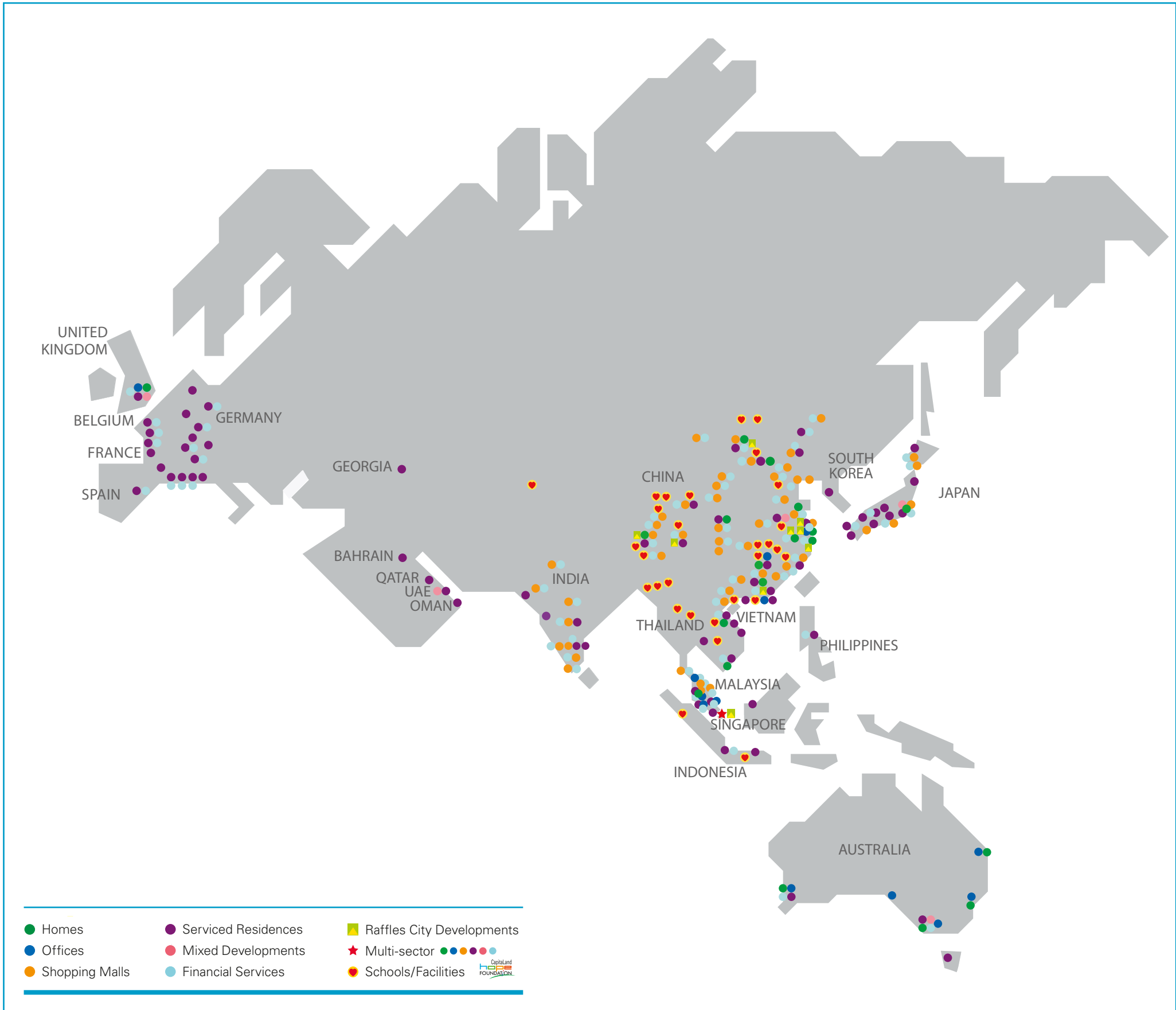
AUSTRALIA	Ningbo	Cochin	MALAYSIA
Adelaide	Qingdao	Hyderabad	Cyberjaya
Brisbane	Quanzhou	Jalandhar	Kuala Lumpur
Hobart	Rizhao	Mangalore	Kuantan
Melbourne	Shanghai	Mumbai	Kuching
Perth	Shenyang	Mysore	Nusajaya
Sydney	Shenzhen	Nagpur	Penang
	Suzhou	Udaipur	Petaling Jaya
	Tianjin		Shah Alam
CHINA	Weifang	INDONESIA	
Anyang	Wuhan	Jakarta	PHILIPPINES
Beijing	Wuhu	Surabaya	Manila
Changsha	Xi'an		
Chengdu	Xiamen	JAPAN	SINGAPORE
Chongqing	Xinxiang	Chitose	
Dalian	Yangzhou	Eniwa	SOUTH KOREA
Deyang	Yibin	Fukuoka	Seoul
Dongguan	Yiyang	Hiroshima	
Foshan	Zhangzhou	Kobe	THAILAND
Guangzhou	Zhanjiang	Kyoto	Bangkok
Harbin	Zhaoqing	Nagoya	
Hangzhou	Zhengzhou	Osaka	VIETNAM
Hong Kong	Zibo	Saga	Danang
Huhhot		Sapporo	Hai Phong City
Kunshan		Sendai	Hanoi
Macau	INDIA	Tokyo	Ho Chi Minh City
Maoming	Ahmedabad		
Mianyang	Bangalore		
Nanchang	Chennai		

Europe

BELGIUM	Lille	GEORGIA	SPAIN
Brussels	Lyon	Tbilisi	Barcelona
	Marseille		
FRANCE	Montpellier	GERMANY	UNITED KINGDOM
Bordeaux	Nice	Berlin	London
Cannes	Paris	Frankfurt	
Ferney-Voltaire	Strasbourg	Hamburg	
Grenoble	Toulouse	Munich	

Gulf Cooperation Council Countries

BAHRAIN	OMAN	QATAR	UNITED ARAB EMIRATES
Manama	Muscat	Doha	Abu Dhabi
			Dubai



PERFORMANCE OVERVIEW

PERFORMANCE OVERVIEW

CapitaLand Group achieved a profit after tax and non-controlling interests (PATMI) of S\$930.3 million for the full year ended 2012, despite challenges posed by the uncertain global economy, European debt crisis and policy restrictions imposed by both the Singapore and Chinese government to cool the property market.

REVENUE

Revenue for FY2012 was S\$3.30 billion which was 9% higher than FY2011. The increase was fuelled by higher contribution from development projects in Singapore and Australia, shopping mall business and fee-based income. Geographically, Singapore and China operations contributed about 53% or S\$1.76 billion of the Group’s revenue.

Revenue from CapitaLand Residential Singapore saw a 10% increase to S\$854.3 million as compared to FY2011. This was due to commencement of revenue recognition for units sold in Sky Habitat and continued progressive revenue recognition from units sold from The Interlace and Urban Resort Condominium.

Revenue from CapitaLand China Holdings fell by 23% to S\$404.1 million as fewer units were handed over to homebuyers in the current year. In 2012, revenue was recognised for units sold and delivered from The Metropolis and The Pinnacle in Shanghai, as well as Riverside Ville and Beau Residences in Foshan.

CapitaLand Commercial recorded a decrease in revenue by 11% to S\$86.5 million due to the absence of revenue from The Adelphi and Corporation Place following its divestment in January and December 2011 respectively, partially mitigated by higher fee income from project management.

Revenue from Ascott improved marginally to S\$381.7 million as the contributions from newly acquired serviced residences and higher property management fees were partially offset by the absence of contribution from divested properties.

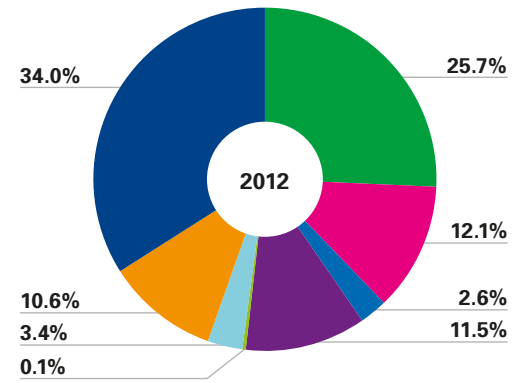
CapitaValue Homes recorded lower revenue at S\$3.9 million due to fewer units sold and handed over to buyers for The Vista in Vietnam which was completed in FY2011.

Revenue for CapitaLand Financial increased by 11% to S\$114.1 million due to one-off acquisition and divestment fees earned from our REITs as well as higher interest income. In FY2012, acquisition fees earned were in respect of the acquisition of Twenty Anson, Ascott Raffles Place and Ascott Guangzhou, while the divestment fee was related to Somerset Grand Cairnhill.

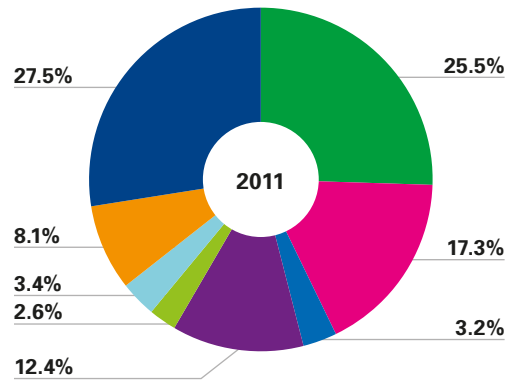
CapitaMalls Asia’s revenue grew 44% to S\$353.7 million mainly due to contribution from the four malls in Japan acquired during the year, The Star Vista which began operations in September 2012, improved management fee, leasing commission from new mall openings and new projects undertaken.

Australand’s revenue rose by 33% as it recorded higher sales from development projects and higher rental income from investment properties.

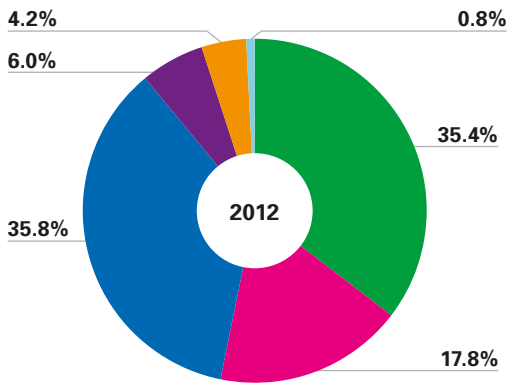
2012 REVENUE BY STRATEGIC BUSINESS UNIT
Total: S\$3.30 billion



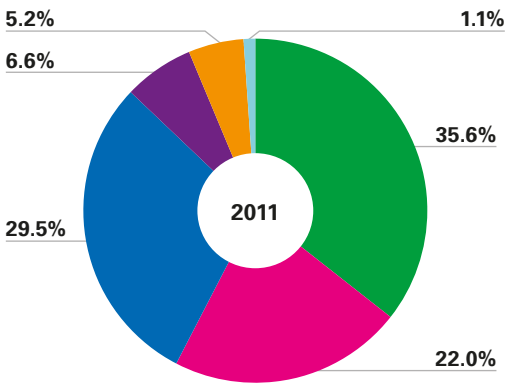
2011 REVENUE BY STRATEGIC BUSINESS UNIT
Total: S\$3.02 billion



2012 REVENUE BY GEOGRAPHICAL LOCATION
Total: S\$3.30 billion



2011 REVENUE BY GEOGRAPHICAL LOCATION
Total: S\$3.02 billion



- CapitaLand Residential Singapore
- CapitaLand China Holdings
- CapitaLand Commercial
- The Ascott Limited
- CapitaValue Homes
- CapitaLand Financial
- CapitaMalls Asia
- Australand

- Singapore
- China (including Hong Kong and Macau)
- Australia
- Europe
- Other Asia (excluding Singapore and China)
- Others

PERFORMANCE OVERVIEW

EARNINGS BEFORE INTEREST AND TAX (EBIT) ANALYSIS

The Group achieved EBIT of S\$2.02 billion which was 3% lower than FY2011's EBIT of S\$2.09 billion.

The details of the Group's EBIT are as follows:

	FY2012		FY2011	
	S\$ million	%	S\$ million	%
Operating profits	1,268.9	63	1,119.5	54
Portfolio gains	239.7	12	260.5	12
Revaluation gains	611.9	30	773.1	37
Impairments	(103.1)	(5)	(66.5)	(3)
Total EBIT	2,017.4	100	2,086.6	100

Operating profits were higher compared to FY2011, driven by improved contributions from development projects in Singapore, China and Australia, as well as the Group's shopping mall business. However, this increase was offset by lower revaluation gains and portfolio gains as well as higher impairment losses, resulting in the overall EBIT being slightly lower than last year. The Group recorded lower fair value gains in respect of investment properties in Singapore, China,

Australia and Europe, while those in Malaysia and Japan recorded higher fair value gains. The higher impairment losses were mainly in respect of the projects in Vietnam as the demand and sentiment in Vietnam have weakened considerably.

Singapore and China operations remain the key contributors to EBIT, accounting for 77% of total EBIT (FY2011: 81%). Singapore EBIT was S\$893.8 million or 44% while China EBIT was S\$658.4 million or 33%.

EBIT contribution from CapitaLand Residential Singapore increased marginally to S\$328.2 million on account of the higher revenue, partially offset by lower write back of impairment charge for Urban Suites.

CapitaLand China Holdings registered an EBIT of S\$322.8 million which was 24% lower than last year due to lower revenue and lower gains from divestments. The decrease was partially mitigated by higher revaluation gains mainly from its Raffles City portfolio.

EBIT from CapitaLand Commercial was S\$174.2 million. This was 8% lower than the EBIT of S\$189.6 million achieved in FY2011 due to lower fair value gains from the revaluation of investment properties and lower divestment

gains, partially mitigated by a write back of provision for income support for One George Street.

Ascott recorded a higher EBIT of S\$163.2 million in FY2012 as compared to S\$148.4 million in FY2011. This was mainly attributable to higher portfolio gains from the divestment of Ascott Raffles Place, Ascott Guangzhou and Citadines Ashley Hongkong and contributions from newly acquired properties. This increase was partially offset by lower share of net fair value gains from Ascott Residence Trust and Ascott Serviced Residence (China) Fund.

CapitaValue Homes posted a higher loss of S\$80.9 million in FY2012 compared to a loss of S\$12.9 million in FY2011. The higher loss was mainly due to lower revenue for The Vista, operating costs for business expansion in China, as well as provision for foreseeable losses primarily for its projects in Vietnam as the demand and sentiment in Vietnam have weakened considerably.

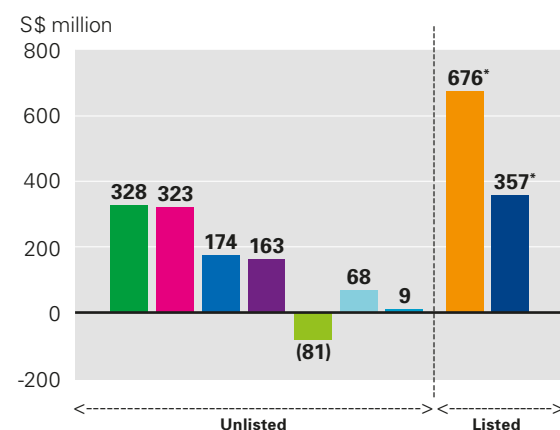
EBIT for CapitaLand Financial saw a decrease of 15% to S\$67.8 million primarily due to an allowance for doubtful receivables and the absence of portfolio gains, partially mitigated by lower operating costs and the absence of foreign exchange losses.

CapitaMalls Asia recorded an EBIT of S\$676.2 million which was higher than FY2011's EBIT of S\$597.0 million. The improvement was largely contributed by the portfolio gain in relation to the injection of CapitaMall Tianfu and CapitaMall Meilicheng into CapitaMalls China Development Fund III and the disposal of Hougang Plaza by CapitaMall Trust, contribution from the four Japan malls and improved results from the management fee business. The increase was partially offset by lower fair value gains and impairment losses taken up for its investments in India.

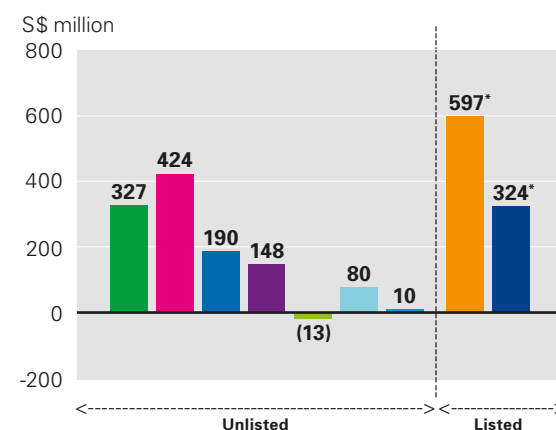
Australand achieved an EBIT of S\$357.3 million in FY2012 as compared to S\$324.2 million in FY2011. The increase was mainly attributable to higher development profits from its Residential division, higher rental income from the Investment Property division and the absence of write down of development projects, partially offset by lower fair value gains from the revaluation of investment properties.

Others comprised the corporate office, Surbana and businesses in Gulf Cooperation Council countries. EBIT in FY2012 amounted to S\$8.7 million, mainly attributable to the fair value gains from the revaluation of investment properties, partially offset by the impairment of projects in Bahrain and Kazakhstan.

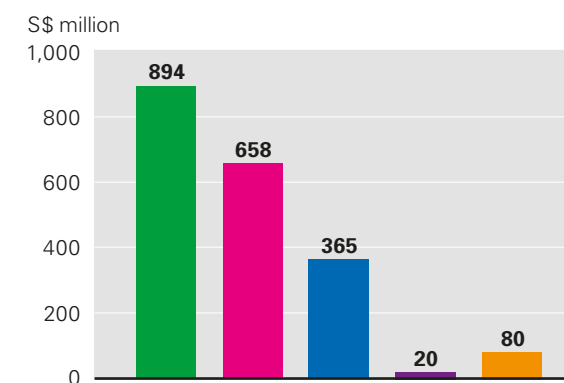
2012 EBIT BY STRATEGIC BUSINESS UNIT
Total: S\$2.02 billion



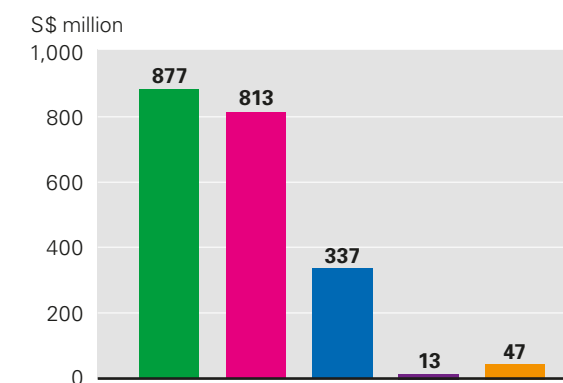
2011 EBIT BY STRATEGIC BUSINESS UNIT
Total: S\$2.09 billion



2012 EBIT BY GEOGRAPHICAL LOCATION
Total: S\$2.02 billion



2011 EBIT BY GEOGRAPHICAL LOCATION
Total: S\$2.09 billion



* Represents 100% EBIT at CapitaMalls Asia and Australand level.

- CapitaLand Residential Singapore
- CapitaLand China Holdings
- CapitaLand Commercial
- The Ascott Limited
- CapitaValue Homes
- CapitaLand Financial
- Others
- CapitaMalls Asia
- Australand

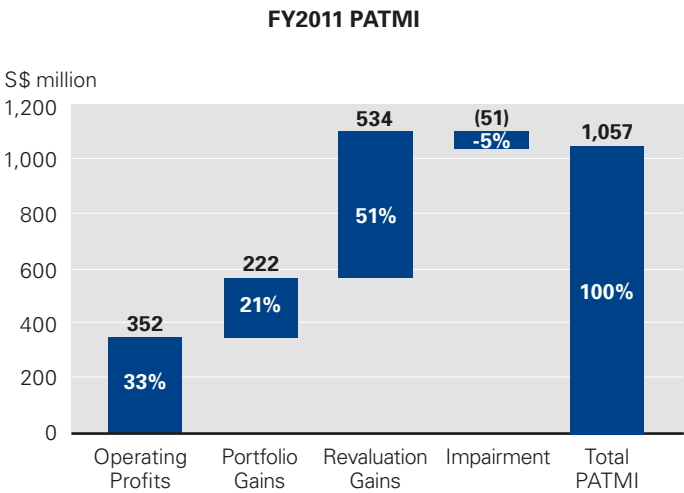
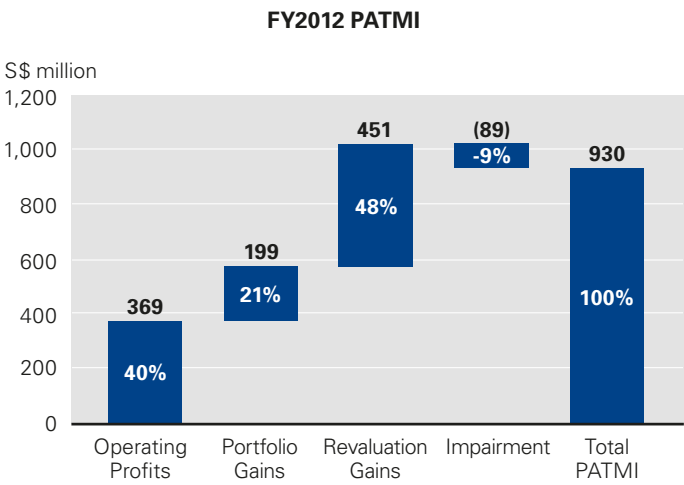
- Singapore
- China (including Hong Kong and Macau)
- Australia
- Europe and Others
- Other Asia (excluding Singapore and China)

PERFORMANCE OVERVIEW

PATMI ANALYSIS

The Group’s PATMI for FY2012 was S\$930.3 million. Excluding revaluations and impairments, as well as divestments, the operating PATMI was S\$369.3 million which is 5% higher than FY2011’s operating PATMI of S\$352.1 million.

The analysis of the Group’s PATMI is shown below:



DIVIDENDS

The Board of Directors is pleased to propose an ordinary dividend of 7.0 cents per share in respect of the financial year ended 31 December 2012 versus 6.0 cents per share in the previous year. This amounts to a payout of approximately S\$297.6 million based on the number of issued shares (excluding 19,611,437 treasury shares) as at 31 December 2012. The dividends are subject to the shareholders’ approval at the forthcoming Annual General Meeting of the Company.

For FY2011, a first and final dividend of 8.0 cents per share, comprising an ordinary dividend of 6.0 cents per share and a special dividend of 2.0 cents per share were approved and paid. The said dividends of S\$340.0 million were paid in May 2012.

ASSETS

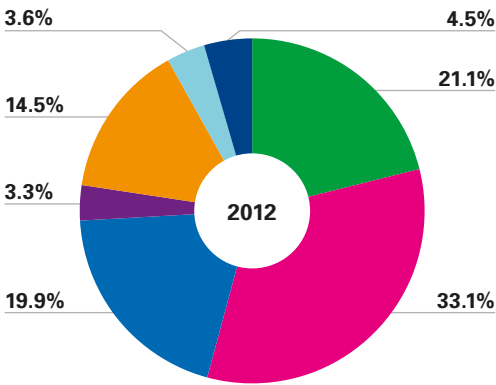
The Group’s total assets as at 31 December 2012 were S\$37.8 billion, of which Singapore and China accounted for approximately 74% of the Group’s total assets. The total assets increased by S\$2.5 billion or 7% from 2011’s total assets of S\$35.3 billion mainly due to the acquisitions and new investments made during the year, in particular, acquisition of 50% stake in two shopping malls and an office building in Shanghai, equity injection into Raffles City Chongqing, acquisition of The

Cavendish London in United Kingdom and four shopping malls in Japan, as well as fair value gains from the revaluation of the Group’s investment properties portfolio.

As at 31 December 2012, the Group managed S\$63.8 billion* of real estate assets; firmly entrenching its position as one of Asia’s largest real estate companies.

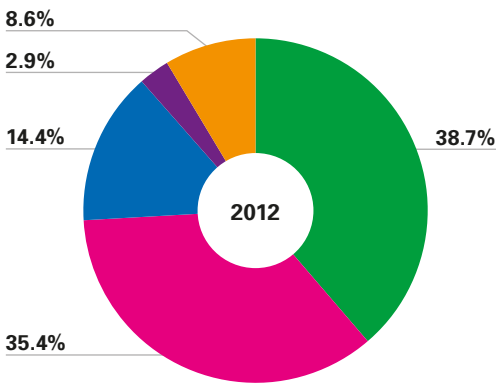
* This refers to the value of all real estate managed by CapitalLand Group entities stated at 100% of the property carrying value.

2012 TOTAL ASSETS BY CATEGORY
Total: S\$37.8 billion



- Investment Properties
- Associates and Joint Ventures
- Development Properties for Sale and Stocks
- Properties, Plant and Equipment
- Cash and Cash Equivalents
- Other Non-Current Assets
- Other Current Assets

2012 TOTAL ASSETS BY GEOGRAPHICAL LOCATION
Total: S\$37.8 billion



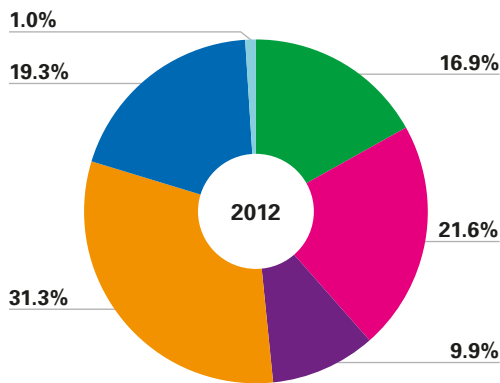
- Singapore
- China (including Hong Kong)
- Australia
- Europe
- Other Asia (excluding Singapore and China)

PERFORMANCE OVERVIEW

PROFORMA FINANCIALS OF REORGANISED SBUS

In January 2013, the Group announced an organisational realignment to sharpen our focus on the key markets of Singapore and China to realise its growth potential. The four business units – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia and Ascott – accounted for about 80% of Group Assets and 84% of Group EBIT in FY2012, on a proforma basis.

2012 PROFORMA ASSETS (EX-TREASURY CASH)
BY STRATEGIC BUSINESS UNIT
Total: S\$34.5 billion



BORROWINGS

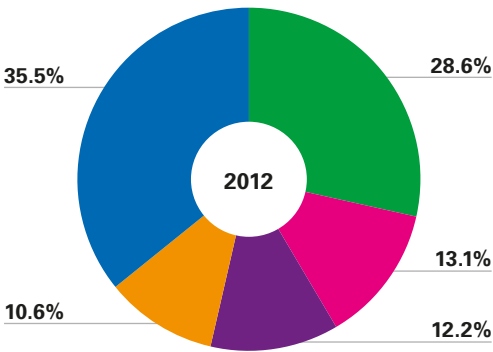
As at 31 December 2012, the Group’s gross debt stood at S\$14.2 billion, an increase of S\$2.0 billion over 31 December 2011’s gross debt. With a cash balance of S\$5.5 billion, the net debt as at 31 December 2012 was S\$8.7 billion as compared to S\$5.9 billion as at end 2011. The net debt position as at 31 December 2012 was higher as the Group had utilised its cash as well as drawn on new borrowings to fund its ongoing capital commitments as well as acquisitions and investments made during the year.

The Group’s net debt equity ratio remained healthy at 0.45 as at 31 December 2012 (2011: 0.31).

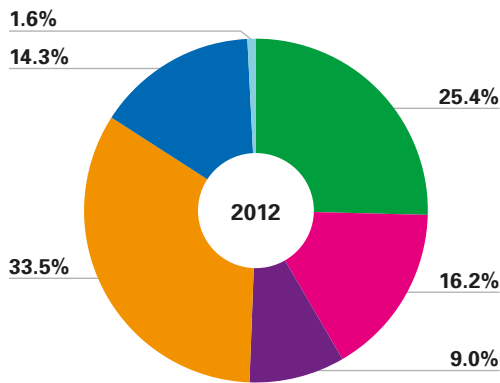
SHAREHOLDERS’ EQUITY

As at 31 December 2012, issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 4.25 billion shares at S\$6.3 billion. The Group’s total reserves increased from S\$8.6 billion in December 2011 to S\$8.8 billion in December 2012. This increase was mainly contributed by the S\$930.3 million net profit for the year, partially offset by exchange losses arising from the translation of foreign operations and payment of the 2011 dividends during the year. The shareholders’ funds rose to S\$15.1 billion as at end 2012 compared to S\$14.9 billion in 2011. Accordingly, the Group’s net tangible assets per share increased to S\$3.44 as at 31 December 2012.

2012 PROFORMA REVENUE BY STRATEGIC BUSINESS UNIT
Total: S\$3.30 billion



2012 PROFORMA EBIT BY STRATEGIC BUSINESS UNIT
Total: S\$2.02 billion



- CapitaLand Singapore

CapitaLand China

Ascott
- CapitaMalls Asia

Financial Product & Services and Regional Investments

Corporate

PERFORMANCE OVERVIEW

Treasury Highlights	2012	2011
Bank Facilities And Available Funds		
Bank facilities available (S\$m)	10,439	9,961
Amount utilised for loans (S\$m)	7,383	6,532
Available and unutilised (S\$m)	3,056	3,429
Cash and fixed deposit balances (S\$m)	5,498	6,264
Unutilised facilities and funds available for use (S\$m)	8,554	9,693
Debt Securities Capacity		
Debt securities capacity (S\$m)	15,604	10,209
Debt securities issue (net of debt securities purchased) (S\$m)	6,797	5,659
Unutilised debt securities capacity (S\$m)	8,807	4,550
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation (S\$m)	2,229	2,242
Net interest expense (S\$m)	405	392
Interest cover ratio (times)	5.50	5.72
Interest Service Ratio		
Operating cashflow before interest and tax (S\$m)	1,658	1,209
Net interest paid (S\$m)	506	444
Interest service ratio (times)	3.28	2.72
Secured Debt Ratio		
Secured debt (S\$m)	2,864	2,482
Percentage of secured debt	20%	20%
Debt Equity Ratio		
Gross debt (S\$m)	14,180	12,191
Cash and fixed deposit balances (S\$m)	5,498	6,264
Net debt (S\$m)	8,682	5,927
Equity (S\$m)	19,444	19,239
Net debt equity ratio (times)	0.45	0.31

OVERVIEW

The Group strives to maintain a prudent capital structure and actively reviews its cashflows, debt maturity profile and overall liquidity position on an ongoing basis to support the dynamic nature of its businesses. The main sources of the Group's operating cashflows are derived from residential sales, fees and rental income. As part of its liquidity management to support its funding requirements, investment needs and growth plans, the Group actively diversifies its funding sources through capital recycling and puts in place a mix of undrawn banking facilities and capital market programmes.

The global financial outlook remains uncertain with the ongoing European debt crisis and slow recovery in the US economy. Against this backdrop, the Group continues to maintain strong cash reserves at S\$5.5 billion compared to S\$6.3 billion last year. The difference was mainly attributed to higher cash outlays as a result of the Group committing to new investments in 2012.

The Group's total gross debt of S\$14.2 billion was 16% higher as compared to S\$12.2 billion last year. Net debt of S\$8.7 billion as at December 2012 was higher as the cash balance was lower due to an increase in new investments. The net debt equity ratio of 0.45 puts the Group in a healthy financial position to weather the volatility in the markets and is well-positioned to invest for the next phase of growth.

Finance costs for the Group were S\$499.0 million for the year ended 2012. This was about 6% higher compared to

S\$472.8 million last year. The higher finance costs were largely due to higher gross debt balance.

SOURCES OF FUNDING

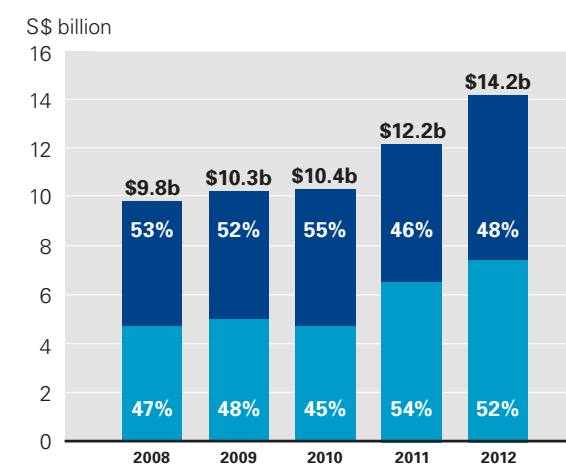
As at year end, 52% of the Group's total debt was funded by bank borrowings and the balance 48% was raised through capital market issuances. The Group continues to seek diversified and balanced sources of funding for its loan portfolio so as to ensure financial flexibility and mitigate concentration risk. During the year, bank loans increased by about S\$851 million mainly as a result of higher secured project financings within the Group for new committed investments. During the year, CapitaLand Treasury Limited (CapitaLand's 100% owned funding vehicle) has established its first Euro Medium Term Note Programme and has raised US\$400 million off the programme.

COMMITMENT OF FUNDING

As at end 2012, the Group is able to achieve almost 100% of its funding from committed facilities.

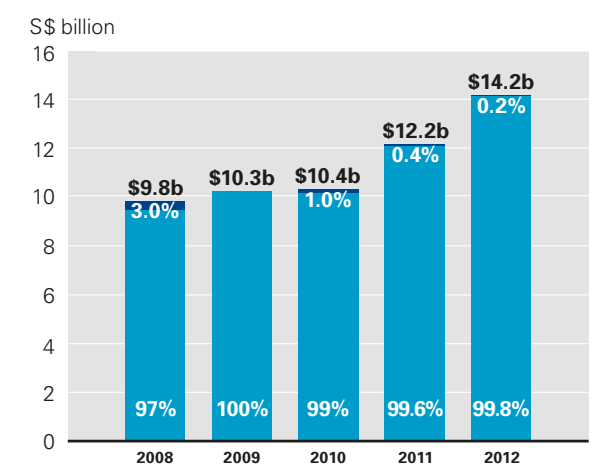
As part of its financial discipline, the Group constantly reviews its portfolio to ensure that a prudent portion of committed funding is put in place to match the investments' planned holding periods. Amidst the volatile and uncertain global economic climate, committed financing is secured whenever possible to support its investments and to ensure that the Group has sufficient financial capacity to support its operations and future growth plans.

SOURCES OF FUNDING



● Bank and Other Loans
● Debt Securities

COMMITMENT OF FUNDING



● Committed
● Uncommitted

PERFORMANCE OVERVIEW

MATURITY PROFILE

The Group has proactively built up sufficient cash reserves and credit lines to enable it to meet its short term debt obligations, support its refinancing needs and pursue opportunistic investments. The Group maintains a strong cash position of S\$5.5 billion and unutilised bank lines of about S\$3.1 billion. To ensure financial discipline, the Group constantly reviews its loan profile so as to diversify the refinancing risks, avoid concentration and extend its maturity profile where possible. In reviewing the maturity profile of its loan portfolio, the Group also took into account any divestment or investment plans, interest rate outlook and the prevailing credit market conditions.

AVAILABLE LINES BY NATIONALITY OF BANKS

The Group has built up an extensive and active relationship with a network of more than 30 banks of various nationalities. Diversity has allowed the Group to tap on the strengths and support from the financial institutions in pursuing its strategic growth and presence globally, thus enhancing its competitiveness in core markets and enabling the Group to develop other markets where appropriate.

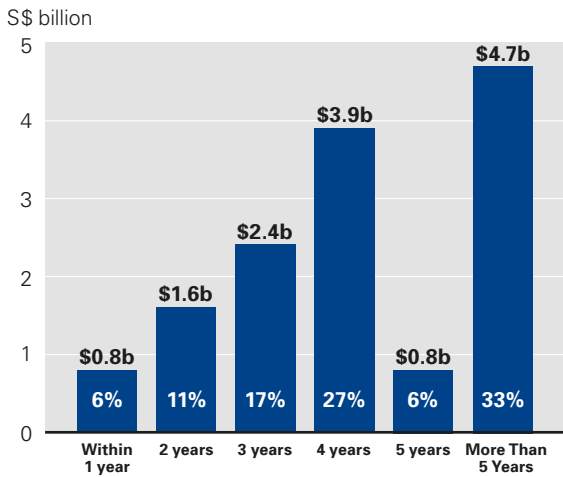
INTEREST RATE PROFILE

The Group manages its finance costs by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2012, the fixed rate borrowings constituted 77% of the portfolio and the balance 23% were on floating rate basis. As finance costs formed an integral component of the Group’s operating costs, a higher percentage in fixed rate funding would offer protection against unexpected rise in interest rates. The remaining portfolio was maintained on a floating rate basis to capitalise on the current low interest rate environment and prepayment flexibility from operational cash surplus. In managing the interest rate profile, the Group takes into account the interest rate outlook of its loan portfolio, holding periods of its investment portfolio, certainty of its planned divestments and operating cashflow generated from residential sales.

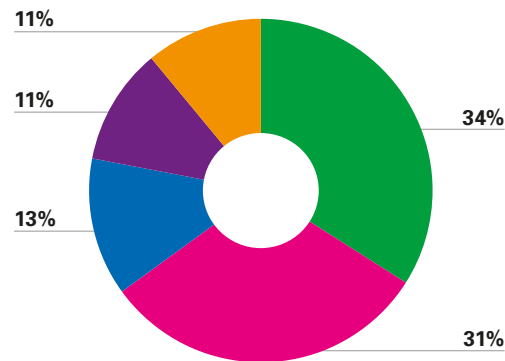
INTEREST COVER RATIO AND INTEREST SERVICE RATIO

The Interest Cover Ratio (“ICR”) and Interest Service Ratio (“ISR”) was 5.50 and 3.28 respectively. ICR was slightly lower at 5.50 compared to 5.72 last year, primarily attributed to higher interest expenses as a result of increased borrowings. Net interest expense increased marginally by 3% to S\$405 million. ISR improved from 2.72 last year to 3.28 in 2012 due to higher cashflows generated from development projects.

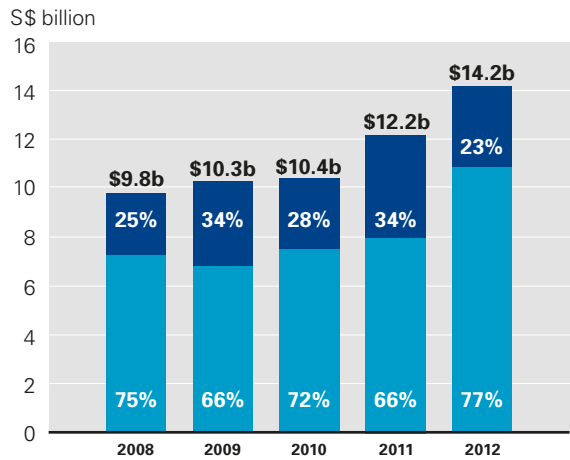
DEBT MATURITY PROFILE



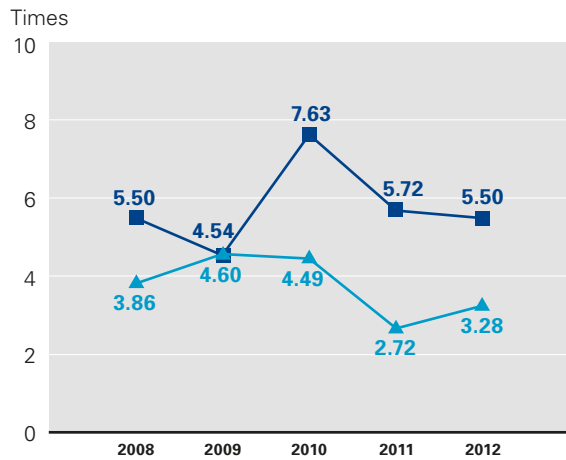
AVAILABLE LINES BY NATIONALITY OF BANKS



INTEREST RATE PROFILE



INTEREST COVER RATIO AND INTEREST SERVICE RATIO



Note: Convertible Bonds are reflected as held till final maturity.

- Singapore
- Japan
- Australia
- Europe
- Others

- Fixed
- Floating

- Interest Cover Ratio
- Interest Service Ratio

GROUP BUSINESSES

ORGANISATIONAL REALIGNMENT AND SIMPLIFICATION

On 3 January 2013, CapitaLand realigned and simplified its organisational structure into four main businesses to sharpen its focus on key markets and to realise its growth potential. The four main businesses are CapitaLand Singapore, CapitaLand China, CapitaMalls Asia (CMA) and The Ascott Limited (Ascott).

The following is a broad overview of the four businesses:

1. CAPITALAND SINGAPORE

CapitaLand Singapore, a wholly-owned subsidiary of CapitaLand Limited, is one of Singapore's leading developers and owners of homes, office and mixed development projects. It comprises the businesses of CapitaLand Residential Singapore, the Singapore businesses under CapitaLand Commercial, and CapitaLand's residential, office and mixed development businesses in Malaysia.

CapitaLand Singapore is the sponsor and manager of two commercial real estate investment trusts, CapitaCommercial Trust and Quill Capita Trust, separately listed in Singapore and Malaysia.

CapitaLand Singapore invests, develops and manages homes, offices and mixed developments in Singapore and Malaysia.

2. CAPITALAND CHINA

CapitaLand China, the leading foreign real estate developer in China, is a wholly-owned subsidiary of CapitaLand Limited. It comprises the businesses of CapitaLand China Holdings and the residential businesses under CapitaValue Homes Limited in China.

Its core business ranges from homes, commercial properties to mixed developments and financial services. With a portfolio of about 48,000 units of residences, 16 commercial projects and 8 Raffles City mixed developments in China, it also manages six real estate funds in China.

Certified as a China Well-Known trademark, CapitaLand China is dedicated to provide quality products and services to customers.

3. CAPITAMALLS ASIA

CMA is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. CMA has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It has interests in and manages a pan-Asian portfolio of 101 shopping malls across 52 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$31.7 billion and a total GFA of approximately 92.5 million square feet as at 31 December 2012.

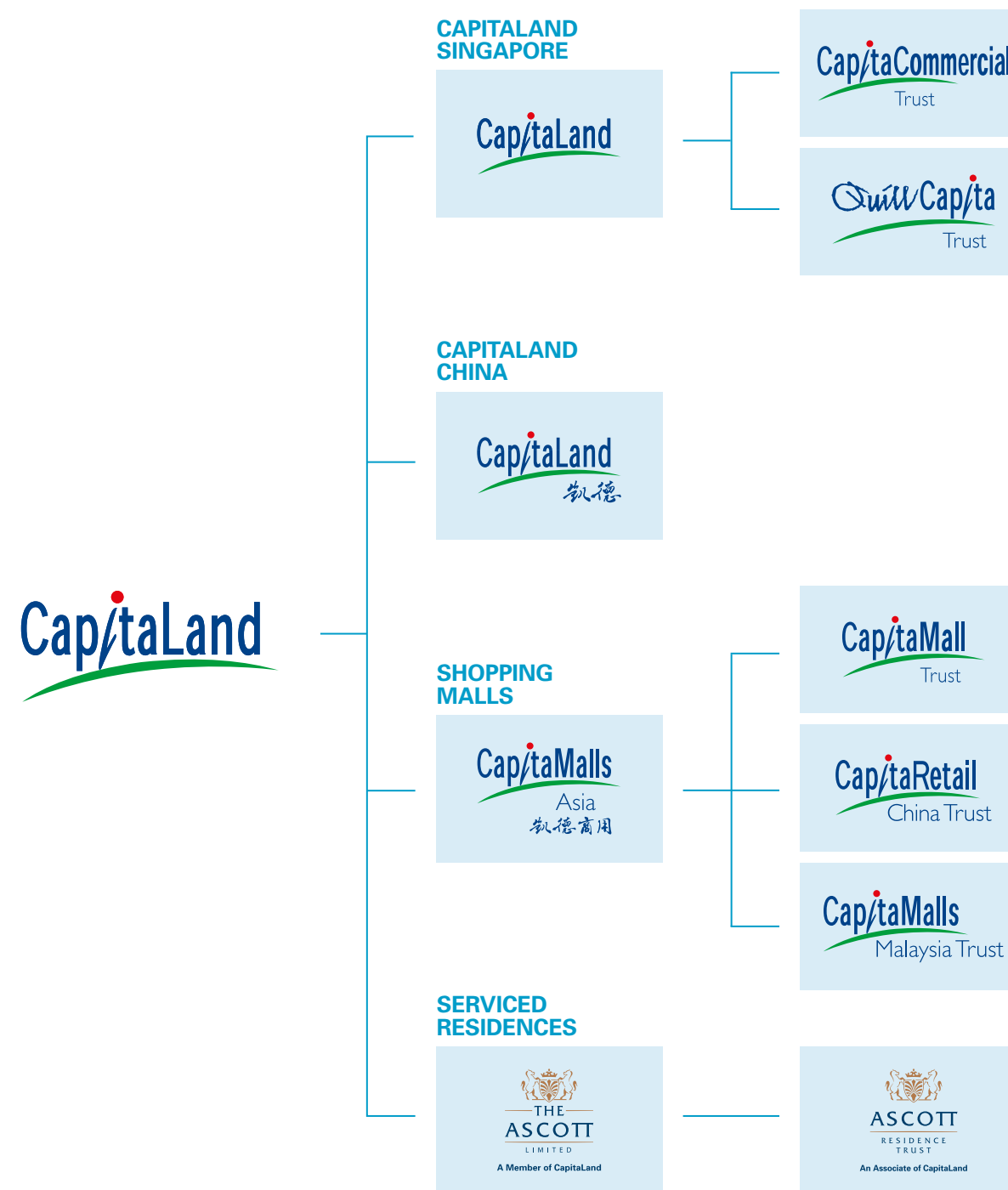
4. ASCOTT

Ascott is the world's largest international serviced residence owner-operator with more than 22,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as over 9,000 units which are under development, making a total of more than 31,000 units in over 200 properties.

In addition, there are two areas which fall under CapitaLand Group Headquarters, namely Financial Products & Services and Regional Investments.

CapitaLand's Financial Products & Services unit oversees the Group's real estate financial products and services. It has an established track record in originating, structuring, distributing and managing real estate financial products. Its areas of focus include originating, structuring and managing private real estate funds, listed real estate investment trusts (REITs) and structuring credit enhancements for financing arrangements in relation to real estate assets.

The Regional Investments unit manages regional real estate investments that fall outside the four main business units. These include CapitaLand Vietnam, Australand, Surbana, and StorHub, as well as investments in Japan, India, United Kingdom and Gulf Cooperation Council.



CapitaLand Singapore and CapitaLand China's businesses include residential, commercial and mixed developments.

The Group's regional investments in CapitaLand Vietnam, Australand, Surbana, StorHub and the overseas markets of Japan, India, GCC and United Kingdom, as well as real estate financial products and services, come under the Group Headquarters.

CAPITALAND SINGAPORE

CapitaLand Singapore is one of Singapore’s leading developers and owners of distinctive and quality homes, offices and mixed-use developments.

SINGAPORE PROPERTY MARKET

Singapore’s residential market turned in record home sales of 22,197 units in 2012, despite the global uncertainty and cooling measures introduced during the year, surpassing last year’s 15,904 units.

Singapore’s Core Central Business District’s office occupancy rate declined by 1% to 92.2% in end-2012. Grade A office market monthly rent was S\$9.58 per square foot (psf) in the fourth quarter of 2012, a 2.2% decrease quarter on quarter. However, rental outlook is expected to be positive as new supply will be limited over the next three years.

A FOCUS ON DISTINCTIVE AND QUALITY HOMES IN CENTRAL LOCATIONS

CapitaLand continued to achieve steady sales in 2012, achieving total sales of 681 homes with sales value amounting S\$1.3 billion. This is largely driven by its focus on building distinctive and quality homes in central locations and near MRT stations.

Located in Bishan Central, the 509-unit Sky Habitat designed by Moshe Safdie was launched in April 2012. The iconic condominium features a dramatic architectural form of two 38-storey towers interconnected by three bridging gardens. 70% of the 180 units launched were sold in its first weekend of sales.

CapitaLand and The Ascott Limited completed their acquisition of the Somerset Grand Cairnhill Singapore in September 2012. They will jointly redevelop it into CapitaLand’s first integrated development comprising a serviced residence (with a hotel licence) and a high-end residential development with some 270 units.

In November 2012, a CapitaLand and Mitsubishi Estate Asia Pte Ltd joint venture successfully bidded for a residential site at Bishan Street 14 at a tender price of S\$505.1 million in a government land sales tender. The site will be developed into a condominium with about 700 units. This new development will complement neighbouring Sky Habitat in terms of its unit mix and unit size with its own distinctive architectural design.

In the last quarter of 2012, new phases were launched at Sky Habitat, The Interlace and d’Leedon. Bedok Residences which was launched in November 2011 is almost fully sold.

GROWING OFFICE PORTFOLIO IN SINGAPORE

In 2012, CapitaLand enhanced the value of its commercial properties through active portfolio management and asset upgrading.

CapitaCommercial Trust, CapitaLand’s listed commercial REIT grew its portfolio to a total asset size of S\$7.0 billion at end-December 2012. CCT acquired Twenty Anson, a well-located new prime office tower in March 2012 for a property price of S\$430.0 million.

TWO JV DEVELOPMENTS ON SCHEDULE FOR COMPLETION IN 2014

CapitaLand’s two commercial projects – Westgate, a mixed-use development and CapitaGreen, a Grade A office tower, commenced construction in January 2012 and February 2012 respectively.

Construction for the S\$1.4 billion CapitaGreen development is expected to be completed in end 2014. In May 2012, CapitaGreen won the Green Mark Platinum Award, conferred by Singapore’s Building and Construction Authority in recognition of its highest standard achieved for environmental sustainability.

Westgate is a S\$1.5 billion development comprising an office building and a shopping mall. Construction for Westgate Tower, the office building, is expected to be completed by end 2014. Of the total 320,000 square feet of prime office space, about 50% is pre-leased to CapitaLand Group. About half of the shopping mall, Westgate, has also been pre-leased more than a year ahead of its targeted opening in December 2013.

CapitaGreen won the Green Mark Platinum Award, conferred by Singapore’s Building and Construction Authority in recognition of its highest standard achieved for environmental sustainability

S\$1.3b
Sales Value

CapitaLand continued to achieve steady sales in 2012, achieving total sales of 681 homes with sales value amounting S\$1.3 billion



- 1 WEN KHAI MENG**
CEO
CAPITALAND SINGAPORE
(From 3 January 2013)
CEO
CAPITALAND FINANCIAL LIMITED
(Until 2 January 2013)
CHIEF INVESTMENT OFFICER
CAPITALAND LIMITED
(Until 5 February 2012)
- 2 WONG HEANG FINE**
CEO
RESIDENTIAL, CAPITALAND SINGAPORE
(From 3 January 2013)
CEO
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD
(Until 2 January 2013)
- 3 MARGARET GOH**
CEO
SPECIAL PROJECTS, CAPITALAND SINGAPORE
(From 3 January 2013)
CEO
SPECIAL PROJECTS, CAPITALAND LIMITED
(Until 2 January 2013)
- 4 LYNETTE LEONG**
CEO
CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED



FY2012 (PROFORMA)⁽¹⁾

REVENUE (S\$m)	951.0
EBIT (S\$m)	512.9

⁽¹⁾ The Group’s revenue and EBIT for FY2012 are presented based on the new organisation structure wef 3 January 2013. Revenue and EBIT for SBUs have included the fund management fees from the respective REIT/funds owned by the SBU.

CAPITALAND CHINA

In the last 18 years, CapitaLand has been deepening its presence in the China market with a portfolio consisting of homes, office buildings, shopping malls, serviced residences and mixed developments. Its multi-sector, multi-geography business model provides a diversified earnings base.

STEADY RESIDENTIAL SALES AND DEVELOPMENT

The short-term volatility in the market as a result of credit tightening and the government’s measures to restrict the purchase of residential properties affected real estate companies in general. Nevertheless, CapitaLand’s projects have been able to ride the market with steady performance. In 2012, CapitaLand sold over 3,000 residential units, achieving total sales value of approximately RMB7.0 billion. i-Park was launched as phase 1 of the Raffles City development in Shenzhen. New units at The Pinnacle in Shanghai, The Metropolis in Kunshan, The Imperial Bay in Hangzhou, The Loft in Chengdu and Beaufort in Beijing were also released for sale.

CapitaLand acquired a second site in Shanghai’s Pudong District, jointly with Shanghai Lingang Wanxiang Economic Development (WED), a local state-owned enterprise to develop about 700 residential units. To date, CapitaLand has a pipeline of approximately 28,000 units of residence in China.

RAFFLES CITY ENTERS PRIME TIME IN CHINA

CapitaLand has followed the pulse of China’s economic development by accurately positioning and pushing forward its products. CapitaLand expanded the footprint of its signature Raffles City mixed development in China. Raffles City Shenzhen started construction in August, while Raffles City Chengdu held an inauguration ceremony graced by Mr Lee Hsien Loong, Prime Minister of Singapore in September. On the first day of its business operation, Raffles City Chengdu attracted more than 150,000 visitors. In the same month,

Raffles City Chongqing, CapitaLand’s biggest investment in China and the largest single investment by any Singapore firm in the country, held a ground-breaking ceremony, followed by the grand opening of Raffles City Ningbo as the first mixed development in the Jiangbei District. Raffles City Shanghai and Raffles City Beijing continue to achieve strong rental growth. The construction of Raffles City Shanghai Changning and Raffles City Hangzhou is also underway. Together, the eight Raffles Cities in China offer over 2.8 million square metres of floor space and will be worth S\$12.0 billion when completed.

REAL ESTATE FUNDS IN CHINA

CapitaLand has established a strong track record in originating, structuring and managing real estate funds and financial products. CapitaLand China is managing six real estate funds in China. CapitaLand China Development Fund I (US\$400.0 million), Fund II (US\$239.8 million) and CapitaLand China Value Housing Fund (US\$215.0 million) primarily invest in residential business in China. Raffles City China Fund (US\$1.18 billion), Raffles City Changning JV (S\$1.03 billion) and CTM Property Trust (S\$1.12 billion) are deployed into mixed developments in China. Together, they provide a platform for our capital partners to participate in China’s real estate businesses.

FUTURE PROSPECTS

CapitaLand remains confident in China’s growth. Through years of perseverance and effort, China has grown to become the largest overseas market for CapitaLand. By integrating international concepts with local practices and with a balanced portfolio and financial stability, CapitaLand will continue to contribute towards China’s urbanisation and its development of the real estate industry. CapitaLand will also continue to seek opportunities to acquire new development sites to boost its property pipeline in China.

CapitaLand has established a strong track record in originating, structuring and managing real estate funds

3,000
Residential Units

CapitaLand sold over 3,000 residential units, achieving total sales value of approximately RMB7.0 billion



1 **JASON LEOW**
CEO
CAPITALAND CHINA
(From 3 January 2013)
CEO
CAPITALAND CHINA HOLDINGS PTE LTD
(Until 2 January 2013)

2 **LUCAS LOH**
DEPUTY CEO
CAPITALAND CHINA
(From 3 January 2013)
DEPUTY CEO
CAPITALAND CHINA HOLDINGS PTE LTD
(Until 2 January 2013)

3 **CHAN BOON SENG**
DEPUTY CEO
CAPITALAND CHINA
(From 3 January 2013)
DEPUTY CEO
CAPITALAND CHINA HOLDINGS PTE LTD
(Until 2 January 2013)

4 **STEVE GONG**
CHIEF FINANCIAL OFFICER
CAPITALAND CHINA
(From 3 January 2013)
CHIEF FINANCIAL OFFICER
CAPITALAND CHINA HOLDINGS PTE LTD
(Until 2 January 2013)



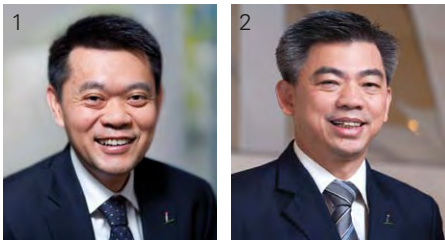
FY2012 (PROFORMA) ⁽¹⁾	
REVENUE (S\$m)	433.9
EBIT (S\$m)	326.1

⁽¹⁾ The Group’s revenue and EBIT for FY2012 are presented based on the new organisation structure wef 3 January 2013. Revenue and EBIT for SBUs have included the fund management fees from the respective REIT/funds owned by the SBU.

CAPITAMALLS ASIA

Despite the uncertain global economy, Asia continued to lead the world in economic growth in 2012. CapitaMalls Asia’s (CMA) key markets of Singapore, China and Malaysia posted positive increases in retail sales.

Portfolio of 101 shopping malls across 52 cities with a total property value of approximately S\$31.7 billion and a total gross floor area of approximately 92.5 million sq ft



1 **LIM BENG CHEE**
CEO
CAPITAMALLS ASIA LIMITED

2 **SIMON HO**
DEPUTY CEO
CAPITAMALLS ASIA LIMITED
(From 1 July 2012)
CEO
CAPITAMALL TRUST MANAGEMENT LIMITED
(Until 30 June 2012)

3 **NG KOK SIONG**
CHIEF FINANCIAL OFFICER
CAPITAMALLS ASIA LIMITED

4 **WILSON TAN**
CEO
CAPITAMALL TRUST MANAGEMENT LIMITED
(From 1 July 2012)
DEPUTY CEO
CAPITAMALL TRUST MANAGEMENT LIMITED
(Until 30 June 2012)

5 **TONY TAN TEE HIEONG**
CEO
CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED

6 **SHARON LIM**
CEO
CAPITAMALLS MALAYSIA REIT
MANAGEMENT SDN. BHD.

As at end 2012, CMA had interests in and managed a portfolio of 101 shopping malls across 52 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$31.7 billion and a total gross floor area of approximately 92.5 million square feet. Of these, 81 malls were operational while the other 20 will open over the coming years.

DELIVERING ON INFLECTION POINT

CMA has delivered on its planned programme that 2012 would be an inflection point for the company, with more than 50% of its malls in China by net asset value becoming operational. In 2012, CMA opened a total of nine malls – two in Singapore (The Star Vista and JCube) and seven in China (CapitaMall Taiyanggong in Beijing, CapitaMall Wusheng in Wuhan, CapitaMall Rizhao in Rizhao, CapitaMall Xuefu in Harbin, CapitaMall Xindicheng in Xi’an, Raffles City Chengdu and Raffles City Ningbo). It also completed major asset enhancements of Plaza Singapura and Bugis+ in Singapore during the year.

To continue its growth, CMA committed a total of more than S\$1.6 billion in new investments in 2012. These were for acquisitions of stakes in eight projects –



three in China (CapitaMall Tiangongyuan in Beijing, CapitaMall 1818 in Wuhan, and CapitaMall Xinduxin in Qingdao, its first mall in the city); one in Klang Valley, Malaysia (a joint venture for its first greenfield development in the country); and two in Japan (Olinas Mall in Tokyo; and increasing its stakes in La Park Mizue in Tokyo, Izumiya Hirakata in Osaka and Coop Kobe Nishinomiya-Higashi in Hyogo to 100%).

Continuing to build its financial capacity to fund this growth, CMA issued S\$650.0 million of retail and corporate bonds in Singapore through its wholly-owned subsidiary. CapitaMalls Asia Treasury Limited (CMATL) raised S\$400.0 million of retail bonds, paying 3.8% per annum for the first five years and 4.5% per annum for the subsequent five years if the bonds are not redeemed early. The public offer was about 4.65 times subscribed, while the placement tranche was more than twice subscribed. Riding on the strong demand, CMATL also issued S\$250.0 million of 10-year corporate bonds, paying 3.7% per annum. In June, CMA established CapitaMalls China Development Fund III with a fund size of US\$1.0 billion. This is the company’s largest private equity fund to-date and its fourth China fund.

MOVING FORWARD

In 2013, CMA targets to open six malls – two new ones in Singapore, three in Chengdu, China, including CapitaMall Jinniu Phase II, and one in India.

S\$650m
Retail and
Corporate Bonds

Continuing to build its financial capacity to fund this growth, CMA issued S\$650.0 million of retail and corporate bonds in Singapore through its wholly-owned subsidiary

FY2012 (PROFORMA)^{(1),(2)}

REVENUE (S\$m)	353.7
EBIT (S\$m)	676.2

⁽¹⁾ The Group’s revenue and EBIT for FY2012 are presented based on the new organisation structure wef 3 January 2013. Revenue and EBIT for SBUs have included the fund management fees from the respective REIT/funds owned by the SBU.

⁽²⁾ Represents 100% Revenue and EBIT at CMA level.

ASCOTT

31,000
Apartment Units

Ascott also generated higher operating profits from hospitality management and ended the year achieving a milestone of over 31,000 apartment units in 222 properties across more than 70 cities in Asia Pacific, Europe and the Gulf region

CapitaLand's serviced residence business unit, Ascott, has an international portfolio of quality serviced residences which it actively manages and enhances through its award winning brands and operations. In 2012, Ascott continued to leverage on this real estate portfolio to improve its core earnings by realising the value of some assets at the optimal time. Ascott also generated higher operating profits from hospitality management and ended the year achieving a milestone of over 31,000 apartment units in 222 properties across more than 70 cities in Asia Pacific, Europe and the Gulf region.

ENHANCED PORTFOLIO CONSTITUTION WITH NEW ACQUISITIONS

In 2012, Ascott acquired The Cavendish London in United Kingdom which will be subsequently transformed into a luxurious serviced residence under the premier Ascott brand.

Ascott, together with CapitaLand, also acquired Somerset Grand Cairnhill Singapore from Ascott Residence Trust for redevelopment into a new serviced residence and a residential development. At the same time, Ascott also divested Ascott Guangzhou and Ascott Raffles Place Singapore to Ascott Residence Trust. Through these transactions, Ascott has increased its investment in Singapore's growing hospitality scene.

Ascott's 49.4% owned associate company, Ascott Residence Trust, has also grown its portfolio of income-generating assets. As at 31 December 2012, Ascott Residence Trust's asset size has more than tripled to \$2.8 billion from the time it was listed in 2006. When the acquisition of the new serviced residence in Cairnhill is completed, Ascott Residence Trust's portfolio will expand to S\$3.2 billion.

The total investment amount committed in 2012 was S\$850.0 million. The total divestment proceeds raised in 2012, which included the proceeds from divesting Citadines Ashley Hong Kong to a third party, was S\$333.3 million.

Ascott continues to operate Ascott Guangzhou China, Ascott Raffles Place Singapore and Citadines Ashley Hong Kong post divestment.

ENHANCING CUSTOMER EXPERIENCE AND BRAND VALUE

Ascott's 2012 hospitality management and service fee income increased by 5% year-on-year to S\$129.7 million. Ascott secured 14 management contracts, added close to 2,800 apartment units to its portfolio and entered two new cities, namely Xiamen and Mumbai. Overall Revenue Per Available Unit (RevPAU) grew by 3% to S\$119 in FY 2012.

To further enhance customer experience, brand value and asset yield across Asia and Europe, Ascott invested more than S\$20 million to refurbish four properties in 2012, and had committed another S\$58 million in 10 properties which will be renovated over the next few years.

Ascott boasts a 28-year industry track record and was the recipient of more than 70 prestigious awards in 2012. Recent awards include DestinAsian Readers' Choice Awards 2012 for 'Best Serviced Apartment', TTG Travel Awards 2012 for 'Best Serviced Residence Operator', TTG China Travel Awards 2012 for 'Best Serviced Residence Operator in China', Business Traveller Asia-Pacific Awards 2012 for 'Best Serviced Residence Brand' and

'Best Serviced Residence in Asia-Pacific', and Business Traveller UK Awards 2012 for 'Best Serviced Apartment Company'.

LOOKING AHEAD

Ascott continues to pursue growth through investments in serviced residence properties and by securing more management contracts to achieve its target of 40,000 apartment units globally by 2015. Ascott will continue with its asset enhancement initiatives to further strengthen its brand and continue to deliver award-winning service to its guests and residents.

Ascott continues to pursue growth through investments in serviced residence properties and by securing more management contracts to achieve its target of 40,000 apartment units globally by 2015



FY2012 (PROFORMA)⁽¹⁾

REVENUE (S\$m)	405.1
EBIT (S\$m)	181.6

⁽¹⁾ The Group's revenue and EBIT for FY2012 are presented based on the new organisation structure wef 3 January 2013. Revenue and EBIT for SBUs have included the fund management fees from the respective REIT/funds owned by the SBU.



1 **CHONG KEE HIONG**
CEO
THE ASCOTT LIMITED
(From 6 February 2012)
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(Until 5 February 2012)

2 **LEE CHEE KOON**
DEPUTY CEO
THE ASCOTT LIMITED
(From 6 February 2012)
MANAGING DIRECTOR, NORTH ASIA
THE ASCOTT LIMITED

3 **RONALD TAY**
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(From 27 February 2012)
CHIEF INVESTMENT OFFICER
THE ASCOTT LIMITED
(Until 5 February 2012)

FINANCIAL PRODUCTS & SERVICES AND REGIONAL INVESTMENTS

The majority of the assets are located in the core markets of Singapore (46%) and China (40%). Fund management fees received by the Group in 2012 totaled S\$182.4 million

FINANCIAL PRODUCTS & SERVICES

CapitaLand Group's financial products and services generate fee income from originating, structuring and managing private real estate funds, listed real estate investment trusts (REITs) and other real estate financial products. The Group manages a total of six REITs and 16 private equity (PE) funds with aggregate Assets Under Management (AUM) of S\$37.1 billion. The majority of the assets are located in the core markets of Singapore (46%) and China (40%). Fund management fees received by the Group in 2012 totaled S\$182.4 million.

CapitaLand's REITs continue with their strategy of adding value through portfolio reconstitution, acquisition and development, asset enhancements, proactive leasing and capital management.

To unlock value for unitholders, CapitaMall Trust (CMT) sold Hougang Plaza for S\$119.1 million and the proceeds provided CMT with greater financial flexibility for refinancing or to take advantage of any good acquisition

opportunities. CMT raised S\$250.0 million equity at an issue price of S\$2.00 per unit through a private placement in November 2012, to finance capital expenditure and asset enhancement initiatives, refinance existing debts and/or for general corporate and working capital.

CapitaCommercial Trust (CCT) completed one cycle of its portfolio reconstitution strategy with the acquisition of Twenty Anson for S\$430.0 million. CCT and CMT jointly announced a S\$34.7 million asset enhancement for Raffles City Tower, the office component of Raffles City Singapore. The enhancement, expected to achieve 8.6% projected return on investment, is expected to complete by the second quarter of 2014.

Ascott Residence Trust (ART) continued its growth with the acquisition of five properties for S\$766.7 million in Singapore, Kyoto and Hamburg. Properties purchased included Ascott Raffles Place and a new Cairnhill serviced residence in Singapore with expected completion in 2017, as well as Ascott Guangzhou in China.

S\$430.0m
Acquisition of
Twenty Anson

CapitaCommercial Trust (CCT) completed one cycle of its portfolio reconstitution strategy with the acquisition of Twenty Anson for S\$430.0 million



- 1 OLIVIER LIM**
GROUP DEPUTY CEO
CAPITALAND LIMITED
(From 3 January 2013)
GROUP CHIEF INVESTMENT OFFICER
CAPITALAND LIMITED
(Until 2 January 2013)
HEAD OF STRATEGIC CORPORATE DEVELOPMENT
CAPITALAND LIMITED
(Until 5 February 2012)
- 2 CHONG LIT CHEONG**
CEO
REGIONAL INVESTMENTS, CAPITALAND LIMITED
(From 3 January 2013)
CEO
CAPITALAND COMMERCIAL LIMITED
(Until 2 January 2013)
- 3 CHEN LIAN PANG**
CEO
CAPITALAND VIETNAM
(From 3 January 2013)
CEO
CAPITAVUE HOMES LIMITED
(Until 2 January 2013)
- 4 JOHN PANG**
MANAGING DIRECTOR
CAPITALAND FINANCIAL LIMITED



FINANCIAL PRODUCTS & SERVICES AND REGIONAL INVESTMENTS

CapitaRetail China Trust successfully raised S\$86.1 million in a private placement which was increased from the original offer of S\$75.0 million, due to strong demand from over 30 existing and new investors from Asia, the United States and Europe.

REITs and fund management remain cornerstones of CapitaLand's business model. CapitaLand will continue to grow AUM through accretive acquisitions, developments and asset enhancements. It will also seek opportunities to originate new real estate private equity funds and real estate financial products in Singapore and China.

CapitaLand will continue to grow AUM through accretive acquisitions, developments and asset enhancements

REGIONAL INVESTMENTS

The Regional Investments unit manages regional real estate investments that fall outside the four main business units. These include CapitaLand Vietnam, Australand, Surbana, and StorHub, as well as investments in Japan, India, United Kingdom and Gulf Cooperation Council.

Australand Property Group

Australand Property Group delivered net profit after tax of A\$180.0 million (S\$229.8 million) for the 2012 financial year, a 28% increase over 2011. Each of Australand's three divisions made a solid contribution to the full year result with the A\$2.3 billion (S\$2.9 billion) investment portfolio underpinning the overall result. The portfolio continues to retain high quality tenants and has a long dated lease expiry profile. The development of 357 Collins Street, an office and retail building in Melbourne, was completed in 2012 and is a high quality addition to the portfolio.

The Commercial & Industrial development division also successfully completed a number of new industrial/logistics facilities during the year and secured commitments for new facilities that will either be retained or developed for external sale.

Australand's Residential division delivered growth of 16%, a creditable result given the challenging conditions experienced in the residential sector for most of the year. Australand remains well positioned in the residential sector, with over 20,000 lots under management in its development pipeline at an estimated end value of A\$8.0 billion (S\$10.2 billion), underpinning future earnings.

CapitaLand Vietnam

Notwithstanding the challenging market conditions, CapitaLand remains committed to the Vietnam market. Mulberry Lane, its project in Hanoi, achieved structural completion in October 2012 and is on track to complete by early 2014.

In Ho Chi Minh City, management of the Somerset Vista Ho Chi Minh, the 100-unit serviced residence within The Vista development in the prime residential precinct District 2, was awarded to Ascott in the fourth quarter of 2012 and opened in December 2012. Ascott also managed Vista Residences, the 168-unit residential property within The Vista, which was available for lease from November 2012.

**16%
Residential
Division
Delivered Growth**

Australand's Residential division delivered growth of 16%, a creditable result given the challenging conditions experienced in the residential sector for most of the year

Phase 1 of PARCSpring, another project located in Ho Chi Minh's District 2 is expected to achieve structural completion in the first quarter of 2013, and be completed by end 2013.

Surbana Corporation

Surbana's two businesses of township development and building consultancy continued to enjoy good growth in 2012. For Financial Year 2011 ended 31 March 2012, Surbana achieved revenue of S\$227.8 million and an EBIT of S\$54.7 million. Net profit after tax was S\$56.2 million, a 14.9% year-on-year increase.

Surbana Land (SLPL) has continued on a steady path of growth in 2012. In 2012, SLPL sold over 3,400 residential and commercial units and over 800 car park lots in its four township projects in China. To date, SLPL has sold over 17,700 homes in the projects in Chengdu, Wuxi, Xi'an and Shenyang. SLPL also moved its headquarters to Chengdu, China, so that it will operate more efficiently and respond faster to the opportunities and operations in the China market.

In Singapore, Surbana International Consultants (SIC) continues to be a dominant player in the public housing sector. It has also made significant inroads into the non-public housing market. Key projects secured in 2012 included condominiums such as Heron Bay, One Canberra, Skies Miltonia, Watercolours, Forestville and CityLife. SIC has also completed a major project, CleanTech One, in Singapore's first eco-business park. The project clinched the BCA Green Mark Platinum, the highest award for sustainable design. SIC clinched a major contract for a 11,800-unit public housing project in Penang, Malaysia. It is the third public housing project SIC has secured overseas, after Brunei and Tianjin, China, both of which are under construction.

SIC won various industry awards in 2012, including a clean sweep of six HDB Design Awards and five FIABCI Singapore Property Awards.

StorHub

CapitaLand owns 62% interest in StorHub, a joint venture with Hersing Corporation Limited. StorHub has grown to a total of nine facilities – seven in Singapore and two in China. StorHub opened its seventh facility in Woodlands, Singapore in August 2012. In China, the first two StorHub facilities began operating in Guangzhou and Shanghai in 2012.

**S\$56.2m
Net Profit**

Surbana achieved revenue of S\$227.8 million and an EBIT of S\$54.7 million. Net profit after tax was S\$56.2 million, a 14.9% year-on-year increase

SIC won various industry awards in 2012, including a clean sweep of six HDB Design Awards and five FIABCI Singapore Property Awards

RESIDENTIAL

As at 31 December 2012



Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure
COMPLETED					
SINGAPORE					
The Wharf Residence	Tong Watt Road	100%	27,168	186	999
Latitude	Jalan Mutiara	100%	24,413	127	Freehold
The Seafront on Meyer	Meyer Road	100%	52,474	327	Freehold
CHINA					
Beau Residences	Chancheng District, Foshan	100%	46,429	648	70
The Riviera	Chancheng District, Foshan	100%	58,254	208	70
Riverside Ville	Chancheng District, Foshan	100%	110,573 (Residential)	758 (Residential)	70 (Residential)
			2,540 (Commercial)		40 (Commercial)
The Loft (Phase 1)	Qingyang District, Chengdu	56.3%	190,528 (Residential)	1,814 (Residential)	70 (Residential)
			1,383 (Commercial)		40 (Commercial)
JAPAN					
The Parkhouse Shinjuku Tower	Shinjuku Ward, Tokyo	20%	30,220 (including car park and M&E rooms)	298	Freehold
VIETNAM					
The Vista	District 2, HCMC	80%	190,734	850	Freehold
UNITED KINGDOM					
25 Kensington Square	Central London	33.3%	239	1	Freehold

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure	Expected Year of Completion	Approx % of Completion
UNDER DEVELOPMENT							
SINGAPORE							
Sky Habitat	Bishan Street 15	65%	58,786	509	99	2015	16%
The Interlace	Alexandra Road/ Depot Road	60%	169,600	1,040	99	2014	84%
d'Leedon	Leedon Heights/ King's Road/Farrer Road	35%	218,519	1,715	99	2014	43%
The Nassim	Nassim Hill	100%	15,942	55	Freehold	2014	21%
Urban Resort Condominium	Cairnhill Road	100%	14,890	64	Freehold	2013	78%
Urban Suites	Cairnhill Road	50%	24,263	165	Freehold	2013	78%

RESIDENTIAL

As at 31 December 2012

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure	Expected Year of Completion	Approx % of Completion
UNDER DEVELOPMENT <i>(cont'd)</i>							
CHINA							
Imperial Bay	Gongshu District, Hangzhou	50%	84,139	462	70	2014	56%
			707		40		
			(Residential)		(Residential)		
			(Commercial)		(Commercial)		
The Metropolis (Phase 1)	Huaqiao District, Kunshan	70%	166,220	1,542	70	2015	72%
The Pinnacle (Phase 1)	Pudong District, Shanghai	80%	52,863	539	70	2013	97%
			270		40		
			(Residential)		(Residential)		
			(Commercial)		(Commercial)		
The Paragon	Luwan District, Shanghai	99%	75,353	271	70	2014	69%
			3,435		40		
			(Residential)		(Residential)		
			(Commercial)		(Commercial)		
99 Hengshan Road	Xuhui District, Shanghai	100%	14,870	90	50	2014	30%
Beaufort (Phase 2)	Chaoyang District, Beijing	50%	17,365	220	70	2013	91%
Beaufort (Phase 3)	Chaoyang District, Beijing	50%	26,037	228	70	2013	37%
Royal Residences	Dongcheng District, Beijing	100%	13,287	26	70	2013	99%
Tianjin International Trade Centre	Hexi District, Tianjin	100%	111,732	1,305	50	2014	24%
			70,581				
			(Residential)				
			(Commercial)				
Dolce Vita (Phase 1)	Baiyun District, Guangzhou	47.5%	127,950	1,033	70	2014	93%
			1,800		40		
			(Residential)		(Residential)		
			(Commercial)		(Commercial)		
Dolce Vita (Phase 2)	Baiyun District, Guangzhou	47.5%	36,204	378	70	2014	44%
			3,200		40		
			(Residential)		(Residential)		
			(Commercial)		(Commercial)		
Dolce Vita (Phase 3)	Baiyun District, Guangzhou	47.5%	28,400	124	70	2015	4%
La Cité Foshan	Chancheng District, Foshan	100%	72,459	879	70	2013	60%
			8,802		40		
			(Residential)		(Residential)		
			(Commercial)		(Commercial)		
The Loft (Phase 2)	Qingyang District, Chengdu	56.3%	267,941	2,632	70	2013	83%
The Lakeside	Caidian District, Wuhan	100%	216,221	2,504	70	2014	11%
			4,167		40		
			(Residential)		(Residential)		
			(Commercial)		(Commercial)		
JAPAN							
The Parkhouse Nishi Azabu	Minato Ward, Tokyo	20%	23,825	190	Freehold	2014	25%
			(estimated)				
VIETNAM							
Beau Rivage (Phase 1 of Thanh My Loi Site)	District 2, HCMC	30%	192,497	962	Freehold	2016	10%
Mulberry Lane	Ha Dong District, Hanoi	70%	235,853	1,478	Freehold	2014	68%
PARCSpring	District 2, HCMC	35%	90,574	974	Freehold	2015	49%
							(Phase 1)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure
FUTURE DEVELOPMENTS					
SINGAPORE					
Site at Bishan Street 14	Bishan Street 14	75%	55,016	700	99
Site at Marine Parade Road	Marine Parade Road	100%	9,986	124	Freehold
Site at Yio Chu Kang Road	Yio Chu Kang Road	100%	19,330	80	Freehold
CHINA					
Summit Residences (Plot 1)	Jiangbei District, Ningbo	50%	10,830	38	70
The Metropolis (Phase 2 to 6)	Huaqiao District, Kunshan	70%	413,327	4,172	70
			72,792		(Residential)
			(Residential)		40
			(Commercial)		(Commercial)
The Pinnacle (Phase 2)	Pudong District, Shanghai	80%	48,529	380	70
			270		(Residential)
			(Residential)		40
			(Commercial)		(Commercial)
Hangzhou Hemu A26 Site	Gongshu District, Hangzhou	100%	71,184	691	70
Beaufort (Phase 4)	Chaoyang District, Beijing	50%	20,357	222	70
Vermont Hills	Changping District, Beijing	80%	279,657	793	70
Dolce Vita (Phase 4)	Baiyun District, Guangzhou	47.5%	154,808	1,261	70
LFIE	Panyu Disrict, Guangzhou	45.0%	1,116,993	9,077	70
			7,000		(Residential)
			(Residential)		40
			(Commercial)		(Commercial)
The Rivervale	Nansha District, Guangzhou	58.6%	195,522	2,027	70
			40,560		(Residential)
			(Residential)		40
			(Commercial)		(Commercial)
The Floravale	Pudong District, Shanghai	55.7%	90,148	1,047	70
Wanxiang II site	Pudong District, Shanghai	55.7%	86,201	700	70
VIETNAM					
Thanh My Loi Site (Phase 2)	District 2, HCMC	30%	40,000	78	Freehold
			(estimated)	(includes 28 shop houses)	
Mo Lao Site	Ha Dong District, Hanoi	35%	198,400	1,300	Freehold
			(estimated)	(estimated)	
Binh Chanh Site	Binh Chanh District, HCMC	65%	75,000	800	Freehold
			(estimated)	(estimated)	

COMMERCIAL

As at 31 December 2012



Name	Location	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure
COMPLETED PROJECTS				
OFFICE				
SINGAPORE				
PWC Building	Cross Street	30%	33,080	99
CHINA				
Corporation Park	Sha Tin, Hong Kong	30%	40,099	54
Innov Tower	Xuhui District, Shanghai	100%	40,445	50
JAPAN				
Shinjuku Front Tower	Shinjuku Ward, Tokyo	20%	92,092 (GFA)	Freehold
UNITED KINGDOM				
1 Derry Street	Central London	33.3%	3,020	Freehold
INDUSTRIAL				
SINGAPORE				
Technopark @ Chai Chee	Chai Chee Road	100%	104,703	60
25A Changi South Street 1	Changi South	62%	3,497	30
15 Changi South Street 1	Changi South	62%	3,774	30
743 Lorong 5 Toa Payoh	Toa Payoh	62%	6,955	60
615 Lorong 4 Toa Payoh	Toa Payoh	62%	8,276	60
31 Admiralty Road	Admiralty Road	62%	9,026	60
CHINA				
1, Huang Xing Road	Yangpu District, Shanghai	62%	5,803	50
133, Jing Xi Road	Baiyun District, Guangzhou	62%	3,441	50
HELD THROUGH CAPITACOMMERCIAL TRUST				
CAR PARK				
SINGAPORE				
Golden Shoe Car Park	Market Street	29%	4,256	99
OFFICE				
SINGAPORE				
Bugis Village	Queen Street/Rochor Road/Victoria Street	29%	11,375 (excluding outdoor refreshment area)	99
HSBC Building	Collyer Quay	29%	18,624	999
Six Battery Road	Battery Road	29%	46,080	999
Capital Tower	Robinson Road	29%	68,836	99
One George Street	George Street	29%	41,670	99
Wilkie Edge	Wilkie Road	29%	13,880 (excluding serviced residences)	99
Twenty Anson	Anson Road	29%	18,831	99
Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure
UNDER DEVELOPMENT				
SINGAPORE				
CapitaGreen	Market Street	61.6%	82,000	99
CHINA				
The Paragon/ChangLe Lu	Luwan District, Shanghai	99%	71,480 (above ground)	50

SHOPPING MALLS

As at 31 December 2012



Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
COMPLETED PROJECTS				
CHINA				
CapitaMall Aidemengdun, Harbin	Daoli District, Harbin	29.4%	27,847	Expiring in September 2042
CapitaMall Beiguan, Anyang	Beiguan District, Anyang	29.4%	25,929	Expiring in March 2046
CapitaMall Chengnanyuan, Nanchang	Qingyunpu District, Nanchang	29.4%	37,261	Expiring in February 2045
CapitaMall Crystal, Beijing	Haidian District, Beijing	29.4%	37,887	Commercial: Expiring in January 2043 Underground carpark: Expiring in January 2053
CapitaMall Cuiwei, Beijing	Haidian District, Beijing	29.4%	35,367	Commercial: Expiring in May 2046 Underground carpark: Expiring in May 2056
CapitaMall Deyang	Jingyang District, Deyang	29.4%	30,413	Expiring in November 2045
CapitaMall Dongguan	Nancheng District, Dongguan	29.4%	32,980	Expiring in January 2055
CapitaMall Fucheng, Mianyang	Fucheng District, Mianyang	29.4%	34,642	Expiring in September 2044
CapitaMall Guicheng, Foshan	Nanhai District, Foshan	47.8%	36,141	Expiring in August 2044
CapitaMall Hongqi, Xinxiang	Hongqi District, Xinxiang	29.4%	25,615	Expiring in November 2045
CapitaMall Jinniu, Chengdu	Jinniu District, Chengdu	29.4%	48,517	Expiring in October 2044
CapitaMall Jinshui, Zhengzhou	Jinshui District, Zhengzhou	19.6%	36,180	Expiring in July 2045
CapitaMall Jiulongpo, Chongqing	Jiulongpo District, Chongqing	47.8%	38,915	Expiring in October 2042
CapitaMall Kunshan	Yushan Town, Kunshan	29.4%	27,517	Expiring in May 2045
CapitaMall Maoming	Maonan District, Maoming	47.8%	28,352	Expiring in November 2044
CapitaMall Nan'an, Yibin	Cuiping District, Yibin	29.4%	28,037	Expiring in May 2045
CapitaMall Peace Plaza, Dalian	Shahekou District, Dalian	19.6%	106,226	Expiring in November 2035
CapitaMall Quanzhou	Licheng District, Quanzhou	29.4%	30,128	Expiring in February 2045
CapitaMall Rizhao	Donggang District, Rizhao	19.6%	42,325	Expiring in November 2043
CapitaMall Shapingba, Chongqing	Shapingba District, Chongqing	19.6%	26,912	Master Lease expiring in December 2023

SHOPPING MALLS

As at 31 December 2012

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
COMPLETED PROJECTS <i>(cont'd)</i>				
CHINA				
CapitaMall Shawan, Chengdu	Jinniu District, Chengdu	19.6%	28,691	Commercial: Expiring in January 2046 Underground carpark: Expiring in January 2076
CapitaMall Taiyanggong, Beijing	Chaoyang District, Beijing	29.4%	42,804	Expiring in August 2044
CapitaMall Taohualun, Yiyang	Heshan District, Yiyang	29.4%	23,225	Expiring in June 2045
CapitaMall TianjinOne, Tianjin	Hexi District, Tianjin	19.6%	40,636	Expiring in September 2054
CapitaMall Weifang	Gaoxin District, Weifang	29.4%	36,943	Expiring in October 2044
CapitaMall Wusheng, Wuhan	Qiaokou District, Wuhan	29.4%	46,140	Expiring in June 2044
CapitaMall Xindicheng, Xi'an	Yanta District, Xi'an	29.4%	35,300	Expiring in December 2043
CapitaMall Xuefu, Harbin	Nangang District, Harbin	29.4%	56,571	Expiring in December 2045
CapitaMall Yangzhou	Weiyang District, Yangzhou	29.4%	36,594	Expiring in July 2039/April 2045
CapitaMall Yuhuating, Changsha	Yuhua District, Changsha	47.8%	47,253	Expiring in March 2044
CapitaMall Zhangzhou	Xiangcheng District, Zhangzhou	47.8%	30,659	Expiring in December 2043
CapitaMall Zhanjiang	Chikan District, Zhanjiang	29.4%	33,183	Expiring in December 2044
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	29.4%	32,808	Expiring in May 2055
CapitaMall Zibo	Zhangdian District, Zibo	29.4%	31,108	Expiring in March 2045
Hongkou Plaza, Shanghai	Hongkou District, Shanghai	47.4%	142,339	Expiring in September 2057
Minhang Plaza, Shanghai	Minhang District, Shanghai	42.5%	110,543	Expiring in December 2053
SINGAPORE				
The Star Vista	One Vista Xchange Green	65.4%	15,173	60 years, expiring in October 2067
MALAYSIA				
Queensbay Mall (approximately 91.8% of aggregate retail floor area and 100% of the car park bays)	Bayan Lepas, Penang	65.4%	82,580	Freehold

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
COMPLETED PROJECTS <i>(cont'd)</i>				
JAPAN				
Chitose Mall	Chitose-shi, Hokkaido	17.2%	15,121	Freehold
Coop Kobe Nishinomiya-Higashi	Nishinomiya-shi, Hyogo	65.4%	7,970	Freehold
Ito Yokado Eniwa	Eniwa-shi, Hokkaido	17.2%	14,843	Freehold
Izumiya Hirakata	Hirakata-shi, Osaka	65.4%	20,044	Freehold
La Park Mizue	Mizue, Edogawa-ku, Tokyo	65.4%	18,430	Freehold
Narashino Shopping Centre	Funabashi-shi, Chiba	17.2%	10,737	Freehold
Olinas Mall	Taihei Sumidaku, Tokyo	65.4%	35,400	Freehold
Vivit Minami-Funabashi	Funabashi-shi, Chiba	17.2%	50,055	Freehold
INDIA				
Forum Value Mall, Bangalore	Whitefield, Bangalore	10.4%	27,059	Freehold
The Celebration Mall, Udaipur	Bhuwana Phase-II Scheme, National Highway 8, Udaipur	29.7%	32,727	99 years, expiring in May 2103
UNDER DEVELOPMENT				
CHINA				
CapitaMall 1818, Wuhan (under development to be completed in 2014)	Wuchang District, Wuhan	65.4%	70,683	Expiring in September 2052
CapitaMall Fucheng, Mianyang (Phase II) (under development to be completed in 2014)	Fucheng District, Mianyang	29.4%	42,111	Expiring in June 2047
CapitaMall Jinniu, Chengdu (Phase II) (under development to be completed in 2013)	Jinniu District, Chengdu	29.4%	94,085	Expiring in October 2044
CapitaMall Meilicheng, Chengdu (under development to be completed in 2013)	Chenghua District, Chengdu	32.7%	59,297	Expiring in August 2044
CapitaMall Tianfu, Chengdu (under development, with mall to be completed in 2013)	Gaoxin District, Chengdu	32.7%	197,064	Expiring in February 2048
CapitaMall Tiangongyuan, Beijing (under development to be completed in 2015)	Daxing District, Beijing	65.4%	122,000	Expiring in January 2051
CapitaMall Xinduxin, Qingdao (under development to be completed in 2015)	Shibei District, Qingdao	65.4%	89,732	Expiring in November 2051/ September 2052
Luwan Integrated Development, Shanghai (under development, with mall to be completed in 2015)	Luwan District, Shanghai	43.2%	127,750	Expiring in July 2056
Suzhou Integrated Development (under development, with mall to be completed in 2016)	Suzhou Industrial Park, Suzhou	32.7%	350,000	Commercial: Expiring in January 2051 Underground Car Park: Expiring in January 2051

SHOPPING MALLS

As at 31 December 2012

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure
UNDER DEVELOPMENT <i>(cont'd)</i>				
MALAYSIA				
Taman Melawati Site (to be completed in 2016)	Bandar Ulu Kelang, Daerah Gombak, Negeri Selangor	32.7%	90,694	Freehold
INDIA				
Cochin Mall (under development to be completed in 2016)	Ernakulam District, Cochin	7.4%	99,406	Freehold
Graphite India, Bangalore (under development to be completed in 2015)	Whitefield, Bangalore	14.6%	97,732	Freehold
Hyderabad Mall (under development to be completed in 2014)	Kukatpally, Hyderabad	7.3%	80,387	Freehold
Jalandhar Mall (under development to be completed in 2015)	Paragpur Village, Jalandhar	19.3%	57,043	Freehold
Mangalore Mall (under development to be completed in 2013)	Pandeshwar Road, Mangalore	9.9%	63,814	Freehold
Mysore Mall (under development to be completed in 2014)	Abba Road/Hyder Ali Road, Mysore	14.6%	33,417	Freehold
Nagpur Mall (under development to be completed in 2016)	Umrer Road, Nagpur	19.3%	94,761	Freehold

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
HELD THROUGH CAPITARETAIL CHINA TRUST				
COMPLETED PROJECTS				
CHINA				
CapitaMall Anzhen, Beijing	Chaoyang District, Beijing	16.4%	43,443	Expiring in October 2034/ March 2042/June 2042
CapitaMall Erqi, Zhengzhou	Erqi District, Zhengzhou	16.4%	92,356	Expiring in May 2042
CapitaMall Minzhongleyuan, Wuhan	Jiangnan District, Wuhan	16.4%	22,653	Annex Building: Expiring in September 2045 Conserved Building: Master Lease expiring in June 2044
CapitaMall Qibao, Shanghai	Minhang District, Shanghai	16.4%	50,703	Master Lease expiring in January 2024
CapitaMall Saihan, Huhhot	Saihan District, Huhhot	16.4%	29,982	Expiring in March 2041
CapitaMall Shuangjing, Beijing	Chaoyang District, Beijing	16.4%	49,463	Expiring in July 2042
CapitaMall Wangjing, Beijing	Chaoyang District, Beijing	16.4%	55,567	Commercial: Expiring in May 2043 Underground car park: Expiring in May 2053
CapitaMall Wuhu	Jinghu District, Wuhu	22.8%	35,792	Expiring in May 2044
CapitaMall Xizhimen, Beijing	Xicheng District, Beijing	16.4%	51,319	Underground commercial and retail use: Expiring in August 2044 Integrated use: Expiring in August 2054

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
HELD THROUGH CAPITAMALL TRUST				
COMPLETED PROJECTS				
SINGAPORE				
Bugis+	Victoria Street	18%	19,934	60 years, expiring in September 2065
Bugis Junction	Victoria Street	18%	38,942	99 years, expiring in September 2089
Bukit Panjang Plaza	Jeleebu Road	18%	14,124	99 years,expiring in November 2093
Clarke Quay	River Valley Road	18%	27,034	99 years, expiring in January 2089
Funan DigitaLife Mall	North Bridge Road	18%	27,762	99 years, expiring in December 2078
IMM Building	Jurong East	18%	88,227	60 years, expiring in January 2049
JCube	Jurong East	18%	19,567	99 years, expiring in February 2090
Junction 8	Bishan	18%	23,325	99 years, expiring in August 2090
Lot One Shoppers' Mall	Choa Chu Kang	18%	20,424	99 years, expiring in November 2092
Plaza Singapura	Orchard Road	18%	45,239	Freehold
Rivervale Mall	Rivervale Crescent	18%	7,540	99 years, expiring in December 2096
Sembawang Shopping Centre	Sembawang Road	18%	12,201	999 years, expiring in March 2884
Tampines Mall	Tampines Central	18%	30,607	99 years, expiring in August 2091
The Atrium@Orchard	Orchard Road	18%	36,079	99 years, expiring in August 2107

HELD THROUGH CAPITAMALLS MALAYSIA TRUST				
COMPLETED PROJECTS				
MALAYSIA				
East Coast Mall	Putra Square, Kuantan	23.5%	41,203	99 years, expiring in December 2106
Gurney Plaza	Persiaran Gurney, Penang	23.5%	81,978	Freehold
The Mines	Jalan Dulang, Selangor	23.5%	66,771	99 years, expiring in March 2091
Sungei Wang Plaza (approximately 61.9% of aggregate retail floor area and 100% of the car park bays)	Jalan Sultan Ismail, Kuala Lumpur	23.5%	41,646	Freehold

SERVICED RESIDENCES

As at 31 December 2012



Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure
AUSTRALIA					
Citadines on Bourke Melbourne	Bourke Street, Melbourne	100%	28,427	380	Freehold
Somerset on Elizabeth Melbourne	Elizabeth Street, Melbourne	100%	1,872	34	Freehold
CHINA					
Ascott Beijing	Chaoyang District, Beijing	36.1%	66,417	244	70
Citadines Biyun Shanghai	Jinqiao Export Processing Zone, Shanghai	36.1%	15,877	180	70
Citadines Central Xi'an	Beilin District, Xi'an	36.1%	12,998	162	70 (Residential) 40 (Commercial)
Citadines Gaoxin Xi'an	Hi-Tech Zone, Xi'an	36.1%	24,303	251	50
Citadines Xinghai Suzhou	Suzhou Industrial Park, Suzhou	100%	10,166	167	70 (Residential) 50 (Commercial) 40 (Retail)
Citadines Zhuankou Wuhan	Economic & Technological Development Zone, Wuhan	36.1%	21,650	249	40
Somerset Garden City Shenzhen	Nanshan District, Shenzhen	36.1%	17,379	147	70
Somerset Heping Shenyang	Heping District, Shenyang	36.1%	33,031	270	40
Somerset International Building Tianjin	Heping District, Tianjin	36.1%	52,726	105	50
Somerset JieFangbei Chongqing	Yuzhong District, Chongqing	36.1%	21,494	157	40
Somerset Riverview Chengdu	Wuhou District, Chengdu	36.1%	30,455	200	50
Somerset Youyi Tianjin	Hexi District, Tianjin	36.1%	31,031	250	50
Somerset ZhongGuanCun Beijing	Haidian District, Beijing	100%	19,975	154	70 (Residential) 50 (Commercial) 40 (Retail)
FRANCE					
Ascott Arc de Triomphe Paris	Avenue Kleber, Paris	100%	9,700	106	Freehold
GERMANY					
Citadines City Centre Frankfurt (under construction)	Europa-Boulevard, Frankfurt	100%	8,104	165	Freehold
Citadines Michel Hamburg (under construction)	Ludwig-Erhad-Straße, Hamburg	100%	6,725	128	99

SERVICED RESIDENCES

As at 31 December 2012

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure
INDIA					
Citadines Galleria Bangalore (under construction)	Yelahanka, Bangalore	50%	13,935	203	Freehold
Citadines Hitec City Hyderabad (under construction)	Hitec City, Hyderabad	100%	10,388	218	Freehold
Citadines OMR Gateway Chennai (under construction)	Old Mahabalipuram Road, Chennai	100%	18,649	268	Freehold
Citadines Parimal Garden Ahmedabad (under construction)	Central Business District, Ahmedabad	100%	9,118	220	Freehold
Somerset Greenways Chennai	Sathyadev Avenue, Chennai	64.4%	21,933	187	Freehold
Somerset Whitefield Bangalore (under construction)	Whitefield, Bangalore	100%	19,021	280	Freehold
JAPAN CORPORATE LEASING					
Actus Hakata V-Tower	Hakata-ward, Fukuoka	88.9%	9,248	297	Freehold
Big Palace Kita 14 Jo	Kita-ward, Sapporo	88.9%	5,896	140	Freehold
Colonnade Kamiikedai	Ota-ward, Tokyo	18.9%	5,903	43	Freehold
Fujimi Duplex Riz	Chiyoda-ward, Tokyo	18.9%	1,824	22	Freehold
Fukuoka College Court	Hakata-ward, Fukuoka	18.9%	2,706	112	Freehold
Grand E'terna Chioninmae	Higashiyama-ward, Kyoto	88.9%	1,049	18	Freehold
Grand E'terna Sagaidaidori	Nabeshima, Saga	88.9%	1,507	46	Freehold
Grand E'terna Nijojomae	Nakagyo-ward, Kyoto	88.9%	1,736	47	Freehold
Grand E'terna Saga	Honjocho, Saga	88.9%	4,973	128	Freehold
Grand Mire Miyamachi	Aoba-ward, Sendai	88.9%	2,306	91	Freehold
Grand Mire Shintera	Wakabayashi-ward, Sendai	88.9%	1,711	59	Freehold
Gravis Court Kakomachi	Naka-ward, Hiroshima	88.9%	2,270	63	Freehold
Gravis Court Kokutaiji	Naka-ward, Hiroshima	88.9%	1,659	48	Freehold
Gravis Court Nishiharaekimae	Asaminami-ward, Hiroshima	88.9%	1,151	30	Freehold
Infini Garden	Hamao District, Fukuoka	30%	36,770	395	Freehold
Kasahokomachi	Shimogyo-ward, Kyoto	88.9%	5,699	191	Freehold
Marunouchi Central Heights	Naka-ward, Nagoya	88.9%	1,937	31	Freehold
SAMTY Namba-Minami	Naniwa-ward, Osaka	18.9%	4,660	123	Freehold
S-Residence Fukushima Luxe	Fukushima-ward, Osaka	18.9%	6,568	179	Freehold
S-Residence Gakuenzaka	Naniwa-ward, Osaka	88.9%	2,822	58	Freehold
S-Residence Hommachi Marks	Chuo-ward, Osaka	18.9%	3,680	110	Freehold
S-Residence Midoribashi Serio	Higashinari-ward, Osaka	18.9%	2,904	100	Freehold
S-Residence Namba Viale	Naniwa-ward, Osaka	88.9%	3,522	116	Freehold
S-Residence Shukugawa	Hyogo, Kobe	88.9%	3,189	33	Freehold
S-Residence Tanimachi 9 chome	Tennoji-ward, Osaka	18.9%	3,171	104	Freehold
The Grandview Osaka	Yodogawa-ward, Osaka	18.9%	10,156	60	Freehold
MALAYSIA					
Ascott Kuala Lumpur	Jalan Pinang, Kuala Lumpur	50%	36,206	221	Freehold
Somerset Ampang Kuala Lumpur	Jalan Ampang, Kuala Lumpur	100%	18,847	207	Freehold
Somerset Seri Bukit Ceylon Kuala Lumpur	Lorong Ceylon, Kuala Lumpur	100%	3,604	48	Freehold

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure
THAILAND					
Ascott Sathorn Bangkok	South Sathorn Road, Bangkok	40%	45,361	177	50
Citadines Sukhumvit 8 Bangkok	Sukhumvit 8, Bangkok	49%	8,505	130	Freehold
Citadines Sukhumvit 11 Bangkok	Sukhimvit 11, Bangkok	49%	8,215	127	Freehold
Citadines Sukhumvit 16 Bangkok	Sukhumvit 16, Bangkok	49%	5,415	79	Freehold
Citadines Sukhumvit 23 Bangkok	Sukhumvit 23, Bangkok	49%	8,693	138	Freehold
UNITED KINGDOM					
The Cavendish London	St James, London	100%	15,360	230	65
VIETNAM					
Somerset Central TD Hai Phong City (under construction)	Ngo Quyen District, Hai Phong City	90%	14,531	132	65
HELD THROUGH ASCOTT RESIDENCE TRUST					
AUSTRALIA					
Somerset St Georges Terrace Perth	St Georges Terrace, Perth	49.4%	6,000	84	Freehold
BELGIUM					
Citadines Sainte-Catherine Brussels	Quai au Bois a Bruler, Brussels	49.4%	10,055	169	Freehold
Citadines Toison d'Or Brussels	Avenue de la Toison d'Or, Brussels	49.4%	12,752	154	Freehold
CHINA					
Ascott Guangzhou	Tianhe District, Guangzhou	49.4%	19,797	208	70
Somerset Grand Fortune Garden Property Beijing	Chaoyang District, Beijing	49.4%	15,780	81	70
Somerset Xu Hui Shanghai	Xu Hui District, Shanghai	49.4%	21,014	167	70
Somerset Olympic Tower Property Tianjin	Heping District, Tianjin	49.4%	32,946	185	70
FRANCE					
Citadines Croisette Cannes	Rue le Poussin, Cannes	49.4%	3,311	58	Freehold
Citadines City Centre Grenoble	Rue de Strasbourg, Grenoble	49.4%	7,872	106	Freehold
Citadines City Centre Lille	Avenue Willy Brandt-Euralille, Lille	49.4%	6,995	101	Freehold
Citadines Presqu'ile Lyon	Rue Thomassin, Lyon	49.4%	6,699	116	Freehold
Citadines Castellane Marseille	Rue de Rouet, Marseille	49.4%	5,877	97	Freehold
Citadines Prado Chanot Marseille	Boulevard de Louvain, Marseille	49.4%	5,390	77	Freehold
Citadines Antigone Montpellier	Boulevard d'Antigone, Montpellier	49.4%	8,914	122	Freehold
Citadines Suites Louvre Paris	Rue de Richelieu, Paris	49.4%	3,663	51	Freehold
Citadines Austerlitz Paris	Rue Esquirol, Paris	49.4%	1,859	50	Freehold
Citadines Prestige Les Halles Paris	Rue des Innocents, Paris	49.4%	10,648	189	Freehold
Citadines Montmarte Paris	Avenue Rachel, Paris	49.4%	7,989	111	Freehold
Citadines Montparnasse Paris	Avenue du Maine, Paris	49.4%	3,004	67	Freehold
Citadines Place d'Italie Paris	Place d'Italie, Paris	49.4%	8,003	169	Freehold
Citadines Porte de Versailles Paris	Rue Didot, Paris	49.4%	4,618	80	Freehold
Citadines Republique Paris	Avenue Parmentier, Paris	49.4%	6,857	76	Freehold
Citadines Tour Eiffel Paris	Boulevard de Grenelle, Paris	49.4%	8,715	104	Freehold
Citadines Trocadero Paris	Rue Saint-Didier, Paris	49.4%	9,725	97	Freehold

SERVICED RESIDENCES

As at 31 December 2012

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure
HELD THROUGH ASCOTT RESIDENCE TRUST <i>(cont'd)</i>					
GERMANY					
Citadines Kurfürstendamm Berlin	Olivaer Platz, Berlin	49.4%	6,794	118	Freehold
Citadines Arnulfpark Munich	Arnulfstrasse, Munich	48.9%	8,303	146	Freehold
Madison Hamburg	Schaarteinweg, Hamburg	49.4%	19,285 (NLA)	166	Freehold
INDONESIA					
Ascott Jakarta	Jalan Kebon Kacang Raya, Jakarta	48.9%	55,775	198	26
Somerset Grand Citra Jakarta	Jalan Prof Dr Satrio Kav 1, Jakarta	28.3%	30,072	203	30
JAPAN					
Citadines Karasuma-Gojo Kyoto	Shimogyo-ku, Kyoto	69.6%	4,835	124	Freehold
Citadines Shinjuku Tokyo	Shinjuku-ku, Tokyo	69.6%	6,197	160	Freehold
Somerset Azabu East Tokyo	Minato-ku, Tokyo	49.4%	5,896	79	Freehold
JAPAN CORPORATE LEASING					
Asyl Court Nakano Sakaue Tokyo	Nakano-ku, Tokyo	49.4%	1,805	62	Freehold
Gala Hachimanyama I Tokyo	Suginami-ku, Tokyo	49.4%	2,556	76	Freehold
Gala Hachimanyama II Tokyo	Suginami-ku, Tokyo	49.4%	474	16	Freehold
Joy City Koishikawa Shokubutsuen Tokyo	Bunkyo-ku, Tokyo	49.4%	1,281	36	Freehold
Joy City Kuramae Tokyo	Taito-ku, Tokyo	49.4%	1,970	60	Freehold
Roppongi Residences Tokyo	Minato-ku, Tokyo	49.4%	4,422	64	Freehold
Zesty Akebonobashi Tokyo	Shinjuku-ku, Tokyo	49.4%	375	12	Feehold
Zesty Gotokuji Tokyo	Setagaya-ku, Tokyo	49.4%	420	15	Freehold
Zesty Higashi Shinjuku Tokyo	Shinjuku-ku, Tokyo	49.4%	515	19	Freehold
Zesty Kagurazaka I Tokyo	Shinjuku-ku, Tokyo	49.4%	469	20	Freehold
Zesty Kagurazaka II Tokyo	Shinjuku-ku, Tokyo	49.4%	533	20	Freehold
Zesty Kasugacho Tokyo	Nerima-ku, Tokyo	49.4%	922	32	Freehold
Zesty Koishikawa Tokyo	Bunkyo-ku, Tokyo	49.4%	385	15	Freehold
Zesty Komazawa Daigaku II Tokyo	Merguro-ku, Tokyo	49.4%	1,054	29	Freehold
Zesty Nishi Shinjuku III Tokyo	Shinjuku-ku, Tokyo	49.4%	915	29	Freehold
Zesty Sakura Shinmachi Tokyo	Setagaya-ku, Tokyo	49.4%	619	17	Freehold
Zesty Shin Ekoda Tokyo	Nerima-ku, Tokyo	49.4%	526	18	Freehold
Zesty Shoin Jinja Tokyo	Setagaya-ku, Tokyo	49.4%	471	16	Freehold
Zesty Shoin Jinja II Tokyo	Setagaya-ku, Tokyo	49.4%	629	17	Freehold
PHILIPPINES					
Ascott Makati	Ayala Centre, Makati City	49.4%	55,255	306	48
Somerset Millennium Makati	Legaspi Village, Makati City	49.4%	11,165	147	Freehold
Salcedo Residences Makati	Salcedo Village, Makati City	49.4%	5,901 (NLA)	71	Freehold

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure
SINGAPORE					
Ascott Raffles Place Singapore	Finlayson Green, Singapore	49.4%	15,694	146	999
Citadines Mount Sophia Property Singapore	Wilkie Road, Singapore	49.4%	9,370	154	99
Somerset Liang Court Property Singapore	River Valley Road, Singapore	49.4%	27,155	197	97
SPAIN					
Citadines Ramblas Barcelona	Ramblas District, Barcelona	49.4%	12,323	131	Freehold
UNITED KINGDOM					
Citadines Barbican London	Goswell Road, London	49.4%	7,263	129	Freehold
Citadines Prestige South Kensington London	Gloucester Road, London	49.4%	6,657	92	Freehold
Citadines Prestige Trafalgar Square London	Northumberland Avenue, London	49.4%	10,903	187	Freehold
Citadines Prestige Holborn-Covent Garden London	High Holborn, London	49.4%	10,576	192	Freehold
VIETNAM					
Somerset Hoa Binh Hanoi	Hoang Quoc Viet Street, Hanoi	44.4%	23,845	206	40
Somerset Grand Hanoi	Hai Ba Trung Street, Hanoi	37.5%	44,048	185	45
Somerset West Lake Hanoi	Thuy Khue Road, Hanoi	34.6%	8,474	90	49
Somerset Chancellor Court Ho Chi Minh City	Nguyen Thi Minh Khai Street, Ho Chi Minh City	33.1%	26,782	172	48
Somerset Ho Chi Minh City	Nguyen Binh Khiem Street, Ho Chi Minh City	34.1%	25,207	165	45

MIXED DEVELOPMENTS

As at 31 December 2012



WESTGATE & WESTGATE TOWER
Singapore

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure
COMPLETED PROJECTS				
CHINA				
Raffles City Beijing	Dongcheng District, Beijing	45.4%	110,996	40 (Retail) 50 (Integrated Use)
Raffles City Shanghai	Huangpu District, Shanghai	25.4%	139,593	50
Raffles City Ningbo	Jiangbei District, Ningbo	45.4%	101,254	40
SINGAPORE				
Raffles City Singapore	North Bridge Road/ Stamford Road/Bras Basah Road	26.6%	320,490	99 years, expiring in July 2078
The Orchard Residences	Orchard Road	32.7%	38,243	99 years, expiring in March 2105
ION Orchard	Orchard Road	32.7%	87,727	99 years, expiring in March 2105
UNITED KINGDOM				
99-121 Kensington High Street	Central London	33.3%	35,600	Freehold
UNDER DEVELOPMENT				
CHINA				
Raffles City Changning	Changning District, Shanghai	36.8%	253,928	50
Raffles City Chengdu	Wuhou District, Chengdu	45.4%	240,928	40
Raffles City Hangzhou	Qianjiang New City, Hangzhou	45.4%	300,894	40
Raffles City Shenzhen	Nanshan District, Shenzhen	73.0%	237,500	50
Raffles City Chongqing	Yuzhong District, Chongqing	51.7%	817,000	70 (Residential) 40 (Commercial)
SINGAPORE				
Westgate & Westgate Tower	Boon Lay Way	58.1%	90,770	99 years, expiring in August 2110
ION Orchard Link	Orchard Road	32.7%	450	99 years, expiring in March 2105
Bedok Mall & Bedok Residences	New Upper Changi Road/ Bedok North Drive	82.7%	94,340	99 years, expiring in November 2110
FUTURE DEVELOPMENTS				
SINGAPORE				
Cairnhill Redevelopment Project	Cairnhill Road	100%	24,882 (Residential) 17,333 (Serviced Residence)	99

STATUTORY ACCOUNTS

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DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2012.

DIRECTORS

The directors in office at the date of this report are as follows:

Ng Kee Choe	
Peter Seah Lim Huat	
Liew Mun Leong	
Lim Ming Yan	(appointed on 1 January 2013)
James Koh Cher Siang	
Arfat Pannir Selvam	
Professor Kenneth Stuart Courtis	
John Powell Morschel	
Simon Claude Israel	
Euleen Goh Yiu Kiang	
Tan Sri Amirsham Bin A Aziz	(appointed on 30 July 2012)
Stephen Lee Ching Yen	(appointed on 1 January 2013)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures or options of the Company or of related corporations either at the beginning of the financial year (or date of appointment, if later) or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year in shares, debentures, options and awards in the Company and its related corporations are as follows:

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/ date of appointment	At end of the year
The Company		
<i>Ordinary shares</i>		
Ng Kee Choe	10,000	23,860
Peter Seah Lim Huat	294,807	329,413
Liew Mun Leong	3,571,915	2,791,563
James Koh Cher Siang	253,999	281,610
Arfat Pannir Selvam	201,039	231,014
Professor Kenneth Stuart Courtis	133,688	160,193
John Powell Morschel	2,684	23,837
Simon Claude Israel	50,000	70,261
Euleen Goh Yiu Kiang	5,572	9,289

DIRECTORS' REPORT

DIRECTORS’ INTERESTS IN SHARES OR DEBENTURES *(cont’d)*

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/ date of appointment	At end of the year
The Company <i>(cont’d)</i>		
Contingent award of Performance shares¹ to be delivered after 2011		
Liew Mun Leong (370,258 shares)	0 to 740,516 ³	— ¹¹
¹¹ No share was released under the 2009 award		
Contingent award of Performance shares¹ to be delivered after 2012		
Liew Mun Leong (381,039 shares)	0 to 762,078 ³	0 to 762,078 ³
Contingent award of Performance shares¹ to be delivered after 2013		
Liew Mun Leong (359,200 shares)	0 to 718,400 ³	0 to 718,400 ³
Contingent award of Performance shares¹ to be delivered after 2014		
Liew Mun Leong (359,000 shares)	—	0 to 628,250 ³
Unvested Restricted shares² to be delivered after 2009		
Liew Mun Leong	85,980 ⁶	—
Unvested Restricted shares² to be delivered after 2010		
Peter Seah Lim Huat	8,054 ⁵	—
Liew Mun Leong	151,896 ⁷	75,949 ⁶
James Koh Cher Siang	6,231 ⁵	—
Arfat Pannir Selvam	6,737 ⁵	—
Professor Kenneth Stuart Courtis	4,711 ⁵	—
John Powell Morschel	2,685 ⁵	—
Unvested Restricted shares² to be delivered after 2011		
Liew Mun Leong	0 to 295,500 ⁴	115,442 ⁷
Contingent award of Restricted shares² to be delivered after 2012		
Liew Mun Leong (197,000 shares)	—	0 to 295,500 ⁴
\$1.3 billion convertible bonds 3.125% due 2018 (Aggregate principal amount of bonds which remains outstanding is \$1.05 billion)		
Liew Mun Leong	\$1,500,000	\$3,500,000

DIRECTORS’ INTERESTS IN SHARES OR DEBENTURES *(cont’d)*

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/ date of appointment	At end of the year
Related Corporations		
CapitaMalls Asia Limited		
Ordinary shares		
Ng Kee Choe	130,000	130,000
Peter Seah Lim Huat	29,000	29,000
Liew Mun Leong	456,540	516,859
James Koh Cher Siang	44,400	45,800
Arfat Pannir Selvam	60,400	89,397
Tan Sri Amirsham Bin A Aziz	6,139	6,139
Unvested Restricted shares² to be delivered after 2010		
Liew Mun Leong	14,540 ⁵	—
James Koh Cher Siang	1,400 ⁵	—
Arfat Pannir Selvam	6,400 ⁵	—
CapitaMalls Asia Treasury Limited		
Liew Mun Leong		
– \$75 million 1.00% Bonds due 2012	\$1,000,000	—
– \$125 million 2.15% Bonds due 2014	\$2,000,000	\$2,000,000
The Ascott Capital Pte Ltd		
Liew Mun Leong		
– \$200 million 4.38% Fixed Rate Notes due 2012	\$1,000,000	—
– \$50 million 5.15% Fixed Rate Notes due 2014	\$1,000,000	\$1,000,000
Euleen Goh Yiu Kiang		
– \$200 million 4.38% Fixed Rate Notes due 2012	\$1,000,000	—
CapitaLand Treasury Limited		
Euleen Goh Yiu Kiang		
– \$350 million 4.30% Fixed Rate Notes due 2020	\$250,000	\$250,000

Footnotes:

¹ Performance shares are shares under awards pursuant to the CapitaLand Performance Share Plan 2000 and CapitaLand Performance Share Plan 2010 (collectively referred to as “CapitaLand Performance Share Plan”).

² Restricted shares are shares under awards pursuant to the CapitaLand Restricted Stock Plan 2000 and CapitaLand Restricted Share Plan 2010 (collectively referred to as “CapitaLand Restricted Stock/Share Plan”) or CMA Restricted Stock Plan.

³ The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

⁴ The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of two to three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The awards granted to non-executive directors in 2010 are time-based with no performance conditions and will be released over a vesting period of two years. With effect from 2011, the awards to non-executive directors form part of the directors’ fees and will be an outright grant with no performance and vesting conditions.

⁵ Being the unvested half of the award.

⁶ Being the unvested one-third of the award.

⁷ Being the unvested two-thirds of the award.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(cont'd)*

Mr Liew Mun Leong's shareholding in the Company had been reduced from 2,791,563 shares as at 31 December 2012 to 1,791,563 shares as at 21 January 2013.

Save as disclosed above, there was no change in any of the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2013.

DIRECTORS' INTERESTS IN CONTRACTS

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Directors' emoluments are disclosed in "Directors' Remuneration".

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the "Directors' Interests in Shares or Debentures" and "Share Plans" sections of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE PLANS

The Executive Resource and Compensation Committee ("ERCC") of the Company has been designated as the Committee responsible for the administration of the Share Plans. The ERCC members at the date of this report are Mr Peter Seah Lim Huat (Chairman), Mr Ng Kee Choe, Mr Simon Claude Israel and Mr Stephen Lee Ching Yen.

(a) CapitaLand Share Option Plan, Performance Share Plan and Restricted Stock/Share Plan

At the Extraordinary General Meeting held on 16 April 2010, shareholders approved a new CapitaLand Performance Share Plan 2010 ("PSP 2010") and CapitaLand Restricted Share Plan 2010 ("RSP 2010"). These plans replaced the CapitaLand Performance Share Plan 2000 and CapitaLand Restricted Stock Plan 2000 which were terminated. The Company did not extend the duration of, or replace, the existing CapitaLand Share Option Plan. All awards granted under the previous share plans prior to its termination will continue to be valid and be subject to the terms and conditions of the plans. The first grant of award under the new share plans was made in March 2011. The duration of each share plan is 10 years commencing on 16 April 2010.

Under the PSP 2010, the awards granted are conditional on performance targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the Company achieving prescribed performance target(s). Awards are released once the ERCC is satisfied that the prescribed target(s) have been achieved. There are no vesting periods beyond the performance achievement periods.

Under the RSP 2010, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-based restricted awards).

Awards granted under the RSP 2010 differ from awards granted under the PSP 2010 in that an extended vesting period is normally imposed beyond the performance target completion date, that is, they also incorporate a time-based service condition as well, to encourage participants to continue serving the Group beyond the achievement date of the pre-determined performance target(s). In addition, the RSP 2010 also enable grants of fully paid shares to be made to non-executive directors as part of their remuneration in respect of their office as such in lieu of cash.

The aggregate number of new shares which may be allotted, issued and/or delivered pursuant to awards granted under the Share Plans on any date, when aggregated with existing shares (including shares held in treasury and cash equivalents) delivered and/or to be delivered, pursuant to the Share Plans, and all shares, options or awards granted under any other share schemes of the Company then in force, shall not exceed 8% of the total number of issued shares (excluding treasury shares) from time to time.

SHARE PLANS *(cont'd)*

(b) Options Exercised

The Company ceased to grant options under the CapitaLand Share Option Plan since 2007. During the financial year, there were new ordinary shares issued for cash in the capital of the Company pursuant to the exercise of options granted:

Name of Company	Exercise Price (per share)	Number of Shares Issued
CapitaLand Limited	\$0.30 to \$3.18	836,913

Save as disclosed above, there were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiary.

(c) Unissued Shares under Options

At the end of the financial year, there were the following unissued ordinary shares of the Company under options:

	Number of Holders	Expiry Date	Exercise Price (per share) \$	Number of Unissued Shares under Options
The Company				
Group Executives	9	28/02/2013	0.30	64,383
	4	29/08/2013	0.30	7,846
	45	27/02/2014	0.50	367,232
	5	27/08/2014	0.85	15,120
	133	25/02/2015	1.72	1,237,820
	18	26/08/2015	2.15	72,290
	353	24/02/2016	3.18	5,632,884
	1	19/06/2016	3.65	87,350
	47	01/09/2016	4.09	621,650
Total				8,106,575

The aggregate number of options granted since the commencement of the CapitaLand Share Option Plan to the end of the financial year is as follows:

Participants	Aggregate options granted since the commencement of the CapitaLand Share Option Plan	Aggregate options exercised	Aggregate options lapsed/ cancelled	Aggregate options outstanding
Directors of the Company:				
Peter Seah Lim Huat	494,460	(494,460)	—	—
Liew Mun Leong	6,257,200	(6,257,200)	—	—
James Koh Cher Siang	134,800	(134,800)	—	—
Arfat Pannir Selvam	100,880	(100,880)	—	—
	6,987,340	(6,987,340)	—	—
Non-Executive Directors of subsidiaries (including former directors of the Company)				
Group Executives (excluding Liew Mun Leong)	11,636,530	(10,880,120)	(756,410)	—
Parent Group Executives and others	138,155,955	(95,514,418)	(34,534,962)	8,106,575
	2,662,482	(2,232,834)	(429,648)	—
Total	159,442,307	(115,614,712)	(35,721,020)	8,106,575

Save as disclosed above, there were no unissued shares of the Company or its subsidiary under options as at the end of the financial year.

DIRECTORS' REPORT

SHARE PLANS *(cont'd)*

(d) Awards under the CapitaLand Performance Share Plan

During the financial year, the ERCC of the Company has granted awards which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released by the ERCC to the recipient at the end of the qualifying performance period, provided the threshold targets are achieved. An initial number of shares ("baseline award") is allocated equally according to the following performance conditions:

- Group's Absolute Total Shareholder Return measured as a multiple of Cost of Equity; and
- Group's Relative Total Shareholder Return measured as the outperformance against the MSCI Asia Pacific ex-Japan Real Estate Index.

The above performance measures are selected as key measurements of wealth creation for shareholders. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

Details of the movement in the awards of the Company during the year were as follows:

<-- Movements during the year -->						
Balance as at 1 January 2012		Granted		Lapsed/ Cancelled	Balance as at 31 December 2012	
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2009	69	3,281,727	–	(3,281,727)	–	–
2010	51	2,847,827	–	(69,811)	49	2,778,016
2011	62	3,139,500	–	(116,574)	59	3,022,926
2012	–	–	3,488,000	(90,000)	63	3,398,000
		9,269,054	3,488,000	(3,558,112)		9,198,942

(e) Awards under the CapitaLand Restricted Stock/Share Plan

During the financial year, the ERCC of the Company has granted awards which are conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. An initial number of shares ("baseline award") is allocated equally according to the following performance conditions:

- Group's Earnings Before Interest and Tax; and
- Group's Return on Total Assets.

The above performance measures are selected as they are the key drivers of shareholder value and are aligned to the Company's business objectives. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. Once the final number of shares has been determined, it will be released over a vesting period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. From 2012, cash-settled award plan for non-managerial grade employees in Singapore, Malaysia and Japan has been replaced by a Restricted Cash Plan ("RCP"). Under RCP, a cash bonus is distributed to eligible employee at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

SHARE PLANS *(cont'd)*

(e) Awards under the CapitaLand Restricted Stock/Share Plan *(cont'd)*

The ERCC of the Company has instituted a set of share ownership guidelines for senior management who receives shares under the CapitaLand Restricted Stock/Share Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaLand shares acquired through the CapitaLand Restricted Stock/Share Plan which will vary according to their job grades and base salaries.

The awards granted to non-executive directors prior to 2010 have a vesting period of two years. In 2010, the awards granted are time-based with no performance conditions and will be released over a vesting period of two years. With effect from 2011, the awards to non-executive directors form part of the directors' fees and will be an outright grant with no performance and vesting conditions.

Details of the movement in the awards by the Company during the year were as follows:

<----- Movements during the year ----->							
Balance as at 1 January 2012		Granted		Released*	Lapsed/ Cancelled	Balance as at 31 December 2012	
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2009	1,313	2,773,682	–	(2,708,531)	(65,151)	–	–
2010	815	4,038,491	–	(2,014,638)	(173,731)	718	1,850,122
2011	952	6,250,405	–	(1,783,947)	(1,082,124)	857	3,384,334
2012	–	–	7,635,290	(151,620)	(404,506)	682	7,079,164
		13,062,578	7,635,290	(6,658,736)	(1,725,512)		12,313,620

* The number of shares released during the year was 6,658,736, of which 846,520 were cash-settled.

As at 31 December 2012, the number of shares comprised in awards granted under the CapitaLand Restricted Stock/Share Plan is as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award)*	6,820,334	258,830	7,079,164
Final number of shares determined but not released	4,647,933	586,523	5,234,456
	11,468,267	845,353	12,313,620

The final number of shares released could range from 0% to 150% of the baseline award.

(f) Awards under the CapitaMalls Asia Limited ("CMA") Share Plans

The CMA Performance Share Plan and the CMA Restricted Stock Plan (collectively referred to as the "CMA Share Plans") were approved and adopted by the shareholders' of CMA at an Extraordinary General Meeting held on 30 October 2009.

Under the CMA Share Plans, awards are granted to eligible participants who will have the right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the company achieving prescribed performance target(s).

DIRECTORS' REPORT

SHARE PLANS (cont'd)

(f) Awards under the CapitaMalls Asia Limited ("CMA") Share Plans (cont'd)

(i) Awards under the CMA Performance Share Plan

The CMA Performance Share Plan has no vesting periods beyond the performance achievement periods and applies only to key executives.

Details of the movement in the awards by CMA during the year were as follows:

<-- Movements during the year -->						
Balance as at 1 January 2012		Granted		Lapsed/ Cancelled	Balance as at 31 December 2012	
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2010	20	871,700	–	(95,000)	18	776,700
2011	29	1,286,700	–	(136,000)	26	1,150,700
2012	–	–	1,769,000	(49,000)	29	1,720,000
		2,158,400	1,769,000	(280,000)		3,647,400

(ii) Awards under the CMA Restricted Stock Plan

Under the CMA Restricted Stock Plan, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-related awards). Performance-related awards differ from awards granted under the CMA Performance Share Plan in that an extended vesting period is imposed beyond the performance target completion date.

CMA has instituted a set of share ownership guidelines for senior management who receive shares under the CMA Restricted Stock Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CMA shares acquired through the CMA Restricted Stock Plan which will vary according to their job grades and base salaries. The 2010 award to non-executive directors was time-based with no performance conditions and will be released over a vesting period of two years. With effect from 2011, no share awards were granted under the CMA Restricted Stock Plan to non-executive directors.

Details of the movement in the awards by CMA during the year were as follows:

<----- Movements during the year ----->							
Balance as at 1 January 2012		Granted		Released*	Lapsed/ Cancelled	Balance as at 31 December 2012	
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2010	716	2,778,529	–	(1,390,644)	(155,546)	667	1,232,339
2011	934	5,208,345	1,056,139	(2,028,091)	(459,085)	847	3,777,308
2012	–	–	6,328,400	–	(403,610)	701	5,924,790
		7,986,874	7,384,539	(3,418,735)	(1,018,241)		10,934,437

* The number of shares released during the year was 3,418,735, of which 995,898 were cash-settled.

As at 31 December 2012, the number of shares comprised in awards granted under the CMA Restricted Stock Plan is as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award) [#]	4,931,990	992,800	5,924,790
Final number of shares determined but not released	3,527,305	1,482,342	5,009,647
	8,459,295	2,475,142	10,934,437

[#] The final number of shares released could range from 0% to 150% of the baseline award.

SHARE PLANS (cont'd)

(g) Awards under the Australand Share Plans

(i) Australand Performance Rights Plan

The establishment of the Australand Performance Rights Plan was approved by Australand's shareholders at the 2007 Annual General Meeting ("AGM").

The number of securities outstanding under the Australand Performance Rights Plan as at the end of the year is summarised below:

<----- Movements during the year ----->					
Year of Award	Balance as at 1 January 2012	Granted	Exercised	Lapsed/ Forfeited	Balance as at 31 December 2012
2007	111,620	–	(23,866)	–	87,754
2008	35,673	–	(5,420)	–	30,253
2009	1,564,492	–	(228,611)	–	1,335,881
2010	1,442,256	–	–	(394,211)	1,048,045
2011	1,839,937	–	–	(39,900)	1,800,037
2012	–	2,061,039	–	(39,100)	2,021,939
	4,993,978	2,061,039	(257,897)	(473,211)	6,323,909

(ii) Australand Tax Exempt Employee Security Plan

The Australand Tax Exempt Employee Security Plan in which tax exempt stapled securities may be issued by the company to employees for no cash consideration was approved by Australand's shareholders at the 2007 AGM. All Australian resident permanent (full-time and part-time) employees (excluding directors and participants in the Australand Performance Rights Plan) who have been continuously employed by Australand for a period of at least nine months as at the invitation date and are still employees as at the acquisition date (the date Australand acquires the securities) are eligible to participate in the plan. Employees may elect not to participate in the plan.

The plan provides up to A\$1,000 of Australand stapled securities (tax-free) to eligible employees annually for no cash consideration.

A three-year restriction period on selling, transferring or otherwise dealing with the securities applies, unless the employee leaves Australand. Under the plan, employees will receive the same benefits as all other security holders.

The number of securities issued to participants in the plan is the offer amount divided by the weighted average price at which Australand's stapled securities are traded on the Australian Stock Exchange during the week up to and including the acquisition date (rounded down to the nearest whole number of stapled securities).

No securities were issued under the Australand Tax Exempt Employee Security Plan during the year. In 2011, 108,016 securities were issued at the weighted average market price of A\$2.90 per security.

DIRECTORS' REPORT

AUDIT COMMITTEE

The Audit Committee members at the date of this report are Ms Euleen Goh Yiu Kiang (Chairman), Mr James Koh Cher Siang, Mrs Arfat Pannir Selvam and Tan Sri Amirsham Bin A Aziz.

The Audit Committee performs the functions specified by Section 201B of the Companies Act, Chapter 50 (the “Act”), the Listing Manual of the SGX-ST, and the Code of Corporate Governance.

The principal responsibility of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. Areas of review by the Audit Committee include:

- the reliability and integrity of the financial statements;
- the impact of new, revised or proposed changes in accounting policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations, particularly those of the Act and the Listing Manual of the SGX-ST;
- the appropriateness of quarterly and full year announcements and reports;
- the adequacy of internal controls and evaluation of adherence to such controls;
- the effectiveness and efficiency of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors’ remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions;
- the findings of internal investigation, if any;
- the framework and processes established for the implementation of the terms of the collaboration agreement with CMA in order to ensure that such framework and processes remain appropriate;
- the processes put in place to manage any material conflicts of interest within the Group; and
- all conflicts of interest matters referred to it.

The Audit Committee also reviews arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Pursuant to this, the Audit Committee has introduced a Whistle Blowing Policy where employees may raise improprieties to the Audit Committee Chairman in good faith, with the confidence that employees making such reports will be treated fairly and be protected from reprisal.

The Audit Committee met four times in 2012. Specific functions performed during the year included reviewing the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company’s officers to the auditors. The financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the Board of Directors of the Company for adoption. The Audit Committee also met with the internal and external auditors, without the presence of management, to discuss issues of concern to them.

AUDIT COMMITTEE *(cont’d)*

The Audit Committee has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set by the Group and the Company to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Audit Committee also undertook quarterly reviews of all non-audit services provided by KPMG LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



NG KEE CHOE
DIRECTOR



LIM MING YAN
DIRECTOR

Singapore
28 February 2013

STATEMENT BY DIRECTORS

In our opinion:

- (a) the financial statements set out on pages 150 to 241 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012, and of the results and changes in equity of the Group and of the Company, and of the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



NG KEE CHOE
DIRECTOR



LIM MING YAN
DIRECTOR

Singapore
28 February 2013

INDEPENDENT AUDITORS' REPORT

To the members of **CapitaLand Limited**

We have audited the accompanying financial statements of CapitaLand Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2012, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 150 to 241.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and the results and changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



KPMG LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore
28 February 2013

BALANCE SHEETS

As at 31 December 2012

		The Group		The Company	
	Note	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-current assets					
Property, plant and equipment	3	1,263,615	1,075,505	14,400	12,830
Intangible assets	4	462,093	458,722	147	147
Investment properties	5	7,969,402	7,074,617	–	–
Subsidiaries	6	–	–	10,546,914	10,605,809
Associates	7(a)	9,692,297	9,290,737	–	–
Joint ventures	8(a)	2,818,985	1,394,263	–	–
Deferred tax assets	9	91,595	95,671	2,589	2,884
Other non-current assets	10(a)	795,713	795,955	–	–
		23,093,700	20,185,470	10,564,050	10,621,670
Current assets					
Development properties for sale and stocks	11	7,510,093	6,905,124	–	–
Trade and other receivables	12	1,484,753	1,769,374	2,447,221	2,590,302
Other current assets	10(b)	201,370	195,000	–	–
Cash and cash equivalents	15	5,497,693	6,264,473	442,650	326,539
		14,693,909	15,133,971	2,889,871	2,916,841
Less: current liabilities					
Trade and other payables	16	2,359,598	2,270,488	76,694	70,834
Short term bank borrowings	18	765,826	426,011	–	–
Current portion of debt securities	19	16,346	434,228	–	–
Current tax payable		432,489	441,075	7,560	7,560
		3,574,259	3,571,802	84,254	78,394
Net current assets		11,119,650	11,562,169	2,805,617	2,838,447
Less: non-current liabilities					
Long term bank borrowings	18	6,617,114	6,105,790	–	–
Debt securities	19	6,780,492	5,224,610	3,512,287	3,432,956
Deferred tax liabilities	9	658,989	627,638	33,558	44,367
Other non-current liabilities	20	712,971	550,130	17,628	27,815
		14,769,566	12,508,168	3,563,473	3,505,138
Net assets		19,443,784	19,239,471	9,806,194	9,954,979
Representing:					
Share capital	22	6,300,011	6,298,355	6,300,011	6,298,355
Revenue reserves		8,910,445	8,328,115	3,125,358	3,296,610
Other reserves	23	(130,048)	275,067	380,825	360,014
Equity attributable to owners of the Company		15,080,408	14,901,537	9,806,194	9,954,979
Non-controlling interests		4,363,376	4,337,934	–	–
Total equity		19,443,784	19,239,471	9,806,194	9,954,979

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

INCOME STATEMENTS

Year ended 31 December 2012

		The Group		The Company	
	Note	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Revenue	25	3,301,363	3,019,569	444,827	499,542
Cost of sales		(2,073,289)	(1,946,684)	–	–
Gross profit		1,228,074	1,072,885	444,827	499,542
Other operating income	26(a)	586,949	713,704	62,107	160,625
Administrative expenses		(580,251)	(530,187)	(100,063)	(92,051)
Other operating expenses		(52,122)	(46,459)	(65,194)	(147,184)
Profit from operations		1,182,650	1,209,943	341,677	420,932
Finance costs	26(d)	(498,953)	(472,785)	(185,330)	(181,047)
Share of results (net of tax) of:					
– associates		699,197	651,194	–	–
– joint ventures		135,584	225,452	–	–
		834,781	876,646	–	–
Profit before taxation	26	1,518,478	1,613,804	156,347	239,885
Taxation	27	(201,907)	(190,884)	12,422	11,336
Profit for the year		1,316,571	1,422,920	168,769	251,221
Attributable to:					
Owners of the Company		930,347	1,057,311	168,769	251,221
Non-controlling interests		386,224	365,609	–	–
Profit for the year		1,316,571	1,422,920	168,769	251,221
Basic earnings per share (cents)					
	28	21.9	24.8		
Diluted earnings per share (cents)					
	28	21.7	24.6		

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

STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 December 2012

	Note	The Group		The Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Profit for the year		1,316,571	1,422,920	168,769	251,221
Other comprehensive income:					
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(443,366)	145,889	–	–
Change in fair value of available-for-sale investments		(254)	(43,848)	–	–
Effective portion of change in fair value of cash flow hedges		(63,600)	(75,048)	–	–
Share of other comprehensive income of associates and joint ventures		(84,312)	101,812	–	–
Total other comprehensive income for the year, net of income tax	24	(591,532)	128,805	–	–
Total comprehensive income for the year		725,039	1,551,725	168,769	251,221
Attributable to:					
Owners of the Company		487,993	1,153,805	168,769	251,221
Non-controlling interests		237,046	397,920	–	–
Total comprehensive income for the year		725,039	1,551,725	168,769	251,221

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2012

	Attributable to owners of the Company					
	Share Capital	Revenue Reserves	Other Reserves	Total	Non-controlling Interests	Total Equity
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2012	6,298,355	8,328,115	275,067	14,901,537	4,337,934	19,239,471
Total comprehensive income						
Profit for the year	–	930,347	–	930,347	386,224	1,316,571
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(333,608)	(333,608)	(109,758)	(443,366)
Change in fair value of available-for-sale investments	–	–	(254)	(254)	–	(254)
Effective portion of change in fair value of cash flow hedges	–	–	(36,761)	(36,761)	(26,839)	(63,600)
Share of other comprehensive income of associates and joint ventures	–	–	(71,731)	(71,731)	(12,581)	(84,312)
Total other comprehensive income, net of income tax	–	–	(442,354)	(442,354)	(149,178)	(591,532)
Total comprehensive income	–	930,347	(442,354)	487,993	237,046	725,039
Transactions with owners, recorded directly in equity						
Issue of shares	1,656	–	(7,840)	(6,184)	7,943	1,759
Dividends paid/payable	–	(340,021)	–	(340,021)	(151,565)	(491,586)
Share-based payments	–	–	27,166	27,166	13,507	40,673
Non-controlling interests contributions (net)	–	–	–	–	69,790	69,790
Effects of reclassification of a subsidiary to interest in joint venture	–	–	–	–	(150,000)	(150,000)
Changes in ownership interests in subsidiaries with a change in control	–	–	–	–	(135)	(135)
Changes in ownership interests in subsidiaries with no change in control	–	974	66	1,040	(1,040)	–
Share of reserves of associates and joint ventures	–	(10,861)	19,083	8,222	(533)	7,689
Others	–	1,891	(1,236)	655	429	1,084
Total transactions with owners	1,656	(348,017)	37,239	(309,122)	(211,604)	(520,726)
At 31 December 2012	6,300,011	8,910,445	(130,048)	15,080,408	4,363,376	19,443,784

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2012

	Attributable to owners of the Company					
	Share Capital	Revenue Reserves	Other Reserves	Total	Non-controlling Interests	Total Equity
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2011	6,276,504	7,511,740	243,689	14,031,933	3,833,271	17,865,204
Total comprehensive income						
Profit for the year	–	1,057,311	–	1,057,311	365,609	1,422,920
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	95,337	95,337	50,552	145,889
Change in fair value of available-for-sale investments	–	–	(43,848)	(43,848)	–	(43,848)
Effective portion of change in fair value of cash flow hedges	–	–	(47,372)	(47,372)	(27,676)	(75,048)
Share of other comprehensive income of associates and joint ventures	–	–	92,377	92,377	9,435	101,812
Total other comprehensive income, net of income tax	–	–	96,494	96,494	32,311	128,805
Total comprehensive income	–	1,057,311	96,494	1,153,805	397,920	1,551,725
Transactions with owners, recorded directly in equity						
Issue of shares	21,851	–	(20,694)	1,157	–	1,157
Purchase of treasury shares	–	–	(63,456)	(63,456)	–	(63,456)
Dividends paid/payable	–	(256,161)	–	(256,161)	(147,654)	(403,815)
Share-based payments	–	–	28,800	28,800	2,958	31,758
Non-controlling interests contributions (net)	–	–	–	–	151,059	151,059
Changes in ownership interests in subsidiaries with a change in control	–	–	–	–	144,249	144,249
Changes in ownership interests in subsidiaries with no change in control	–	17,322	(3,436)	13,886	(43,154)	(29,268)
Share of reserves of associates and joint ventures	–	(14,455)	5,225	(9,230)	(765)	(9,995)
Others	–	12,358	(11,555)	803	50	853
Total transactions with owners	21,851	(240,936)	(65,116)	(284,201)	106,743	(177,458)
At 31 December 2011	6,298,355	8,328,115	275,067	14,901,537	4,337,934	19,239,471

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

	Attributable to owners of the Company					
	Share Capital	Revenue Reserves	Reserves For Own Shares	Capital Reserves	Equity Compensation Reserve	Total Equity
The Company	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2012	6,298,355	3,296,610	(63,456)	383,490	39,980	9,954,979
Total comprehensive income						
Profit for the year	–	168,769	–	–	–	168,769
Transactions with owners, recorded directly in equity						
Dividends paid	–	(340,021)	–	–	–	(340,021)
Issue of shares	1,656	–	–	–	(204)	1,452
Issue of treasury shares	–	–	14,090	–	(2,560)	11,530
Share-based payments	–	–	–	–	9,485	9,485
Total transactions with owners	1,656	(340,021)	14,090	–	6,721	(317,554)
At 31 December 2012	6,300,011	3,125,358	(49,366)	383,490	46,701	9,806,194
At 1 January 2011	6,276,504	3,301,550	–	383,490	37,862	9,999,406
Total comprehensive income						
Profit for the year	–	251,221	–	–	–	251,221
Transactions with owners, recorded directly in equity						
Dividends paid	–	(256,161)	–	–	–	(256,161)
Issue of shares	21,851	–	–	–	(4,813)	17,038
Purchase of treasury shares	–	–	(63,456)	–	–	(63,456)
Share-based payments	–	–	–	–	6,931	6,931
Total transactions with owners	21,851	(256,161)	(63,456)	–	2,118	(295,648)
At 31 December 2011	6,298,355	3,296,610	(63,456)	383,490	39,980	9,954,979

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2012

	2012 S'000	2011 S'000
Operating activities		
Profit after taxation	1,316,571	1,422,920
Adjustments for:		
Amortisation and impairment of intangible assets	1,256	1,601
Allowance/(Reversal of allowance) for:		
– foreseeable losses, net	33,429	39,155
– doubtful receivables	22,934	406
– impairment on financial assets	6,242	1,329
– impairment on interests in associates and joint ventures	5,034	3,437
– impairment on property, plant and equipment	8,768	729
Gain from bargain purchase	(4,488)	(26)
Share-based expenses	46,652	34,343
Depreciation of property, plant and equipment	45,111	39,008
Gain on disposal of property, plant and equipment	(41,836)	(969)
Gain on disposal of investment properties	–	(19,411)
Net fair value gain from investment properties	(155,092)	(285,032)
Net gain on disposal/liquidation/dilution of equity investments and other financial assets	(170,850)	(227,017)
Realisation of reserves for pre-existing interest in acquirees	(5,146)	(12,631)
Share of results of associates and joint ventures	(834,781)	(876,646)
Accretion of deferred income	(3,302)	9,910
Finance costs	498,953	472,785
Interest income	(93,764)	(80,957)
Taxation	201,907	190,884
	(438,973)	(709,102)
Operating profit before working capital changes	877,598	713,818
Changes in working capital:		
Trade and other receivables	56,894	(104,993)
Development properties for sale	(642,410)	(1,073,350)
Trade and other payables	104,471	(142,482)
Restricted bank deposits	5,396	(6,777)
	(475,649)	(1,327,602)
Cash generated from/(used in) operations	401,949	(613,784)
Income tax paid	(152,650)	(194,922)
Net cash generated from/(used in) operating activities	249,299	(808,706)

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

	Note	2012 S'000	2011 S'000
Investing activities			
Proceeds from disposal of property, plant and equipment		221,695	3,470
Purchase of property, plant and equipment		(145,895)	(135,493)
Investments in associates and joint ventures		(1,404,352)	(183,263)
Advance to investee companies and other receivables		(30,931)	(7,354)
Prepayment for acquisition of an investment property		(38,091)	(22,441)
Deposits for new investments		(86,702)	(400,000)
Deposit for disposal of a subsidiary		–	48,976
Acquisition of investment properties		(877,620)	(1,958,528)
Proceeds from disposal of investment properties		93,854	502,889
Proceeds from disposal of/(Investment in) other financial assets		17,932	(267,580)
Dividends received from associates and joint ventures		421,323	533,174
Acquisitions of subsidiaries, net of cash acquired	30(b)	(426,382)	(419,018)
Disposals of subsidiaries, net of cash disposed off	30(d)	323,001	1,142,375
Interest income received		46,470	52,513
Net cash used in investing activities		(1,885,698)	(1,110,280)
Financing activities			
Proceeds from issue of shares under options		1,011	2,804
Purchase of treasury shares		–	(63,456)
Borrowings from non-controlling interests		56,411	49,083
(Return of capital to)/Contributions from non-controlling interests		(917)	149,412
Proceeds from disposal/(Payments for acquisition) of ownership interests in subsidiaries with no change in control		69,928	(29,268)
Proceeds from bank borrowings		3,348,158	5,516,970
Repayments of bank borrowings		(2,524,434)	(3,522,087)
Proceeds from issue of debt securities		1,482,965	696,200
Repayments of debt securities		(431,737)	(919,614)
Dividends paid to non-controlling interests		(152,997)	(146,239)
Dividends paid to shareholders		(340,021)	(256,161)
Interest expense paid		(552,060)	(495,946)
Net cash generated from financing activities		956,307	981,698
Net decrease in cash and cash equivalents		(680,092)	(937,288)
Cash and cash equivalents at beginning of the year		6,254,967	7,187,335
Effect of exchange rate changes on cash balances held in foreign currencies		(81,292)	4,920
Cash and cash equivalents at end of the year	15	5,493,583	6,254,967

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 February 2013.

1 DOMICILE AND ACTIVITIES

CapitaLand Limited (the “Company”) is incorporated in the Republic of Singapore and has its registered office at 168 Robinson Road, #30-01, Capital Tower, Singapore 068912.

The principal activities of the Company during the financial year are those relating to investment holding and consultancy services as well as the corporate headquarters which gives direction, provides management support services and integrates the activities of its subsidiaries.

The principal activities of the significant subsidiaries are those relating to investment holding, real estate development, investment in real estate financial products and real estate assets, investment advisory and management services as well as management of serviced residences.

The consolidated financial statements relate to the Company and its subsidiaries (the “Group”) and the Group’s interests in associates and joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollars, which is the Company’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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 judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 – recognition of deferred tax assets

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

Note 2(d), Note 3 – determination of useful lives of property, plant and equipment and estimation of residual value of serviced residence properties

Note 4 – measurement of recoverable amounts of goodwill

Note 5 – fair value determination of investment properties

Note 11 – estimation of the percentage of completion of the projects’ attributable profits for development properties for sale and allowance for foreseeable losses

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont’d)

(a) Basis of preparation (cont’d)

Note 20 – measurement of provisions

Note 21 – measurement of share-based payments

Note 31 – fair value determination of assets, liabilities and contingent liabilities acquired in business combinations

Note 32 – fair value determination of financial instruments

The Group applies the amendments to FRS 12 *Income Tax – Deferred Tax: Recovery of Underlying Assets*, which became effective as of 1 January 2012. The amendments apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 *Investment Property*. For the purposes of measuring deferred tax, the amendments introduce a rebuttable presumption that the carrying amount of such investment property will be recovered entirely through sale. The adoption of amendments to FRS 12 do not have any significant impact on the financial position or performance of the Group.

Except for the above changes, the accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements and have been applied consistently by the entities in the Group.

(b) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the events of liquidation are measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value. If the business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of consolidation (cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are entities (including unincorporated or incorporated companies, partnerships and trusts) over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and joint ventures (collectively referred to as "equity-accounted investees") are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is stated at zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

(iv) Transactions eliminated on consolidation

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

(v) Accounting for subsidiaries, associates and joint ventures by the Company

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Foreign currencies

Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency").

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate prevailing at that reporting 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 from retranslation are recognised in the profit or loss, except for differences arising from the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation, available-for-sale equity instruments and financial liabilities designated as hedges of net investment in a foreign operation (see note 2(g)) or qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the profit or loss as part of the gain or loss on disposal. When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes off only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is transferred to the profit or loss.

Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income and are presented in the translation reserve in equity.

(d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Property, plant and equipment *(cont'd)*

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings (excluding serviced residence properties)	Lease period ranging from 30 years to 50 years
Hospitality plant, machinery and improvements, furniture, fittings and equipment	1 to 10 years
Plant, machinery and improvements	3 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	2 to 5 years

For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. No depreciation is recognised where the residual value is higher than the carrying amount. The intended holding period (the period from the date of commencement of serviced residence operations to the date of expected strategic divestment of the properties) ranges from three to five years.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

(e) Intangible assets

(i) Goodwill

Acquisition on or after 1 January 2010

For business combinations on or after 1 January 2010, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a bargain purchase gain is recognised in the profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

Acquisition up to 31 December 2009

Prior to 1 January 2010, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 2(j). Negative goodwill is credited to the profit or loss in the period of the acquisition.

Acquisition of non-controlling interests

From 1 January 2010, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. Previously, goodwill arising on the acquisition of non-controlling interests in a subsidiary has been recognised, and represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(e) Intangible assets *(cont'd)*

(ii) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses. They are amortised in the profit or loss on a straight-line basis over their estimated useful lives of one to 10 years, from the date on which they are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less impairment losses.

(f) Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets. Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the profit or loss. The fair value is determined based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every three years.

When an investment property or investment property under development is disposed off, the resulting gain or loss recognised in the profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

(g) Financial instruments

(i) Non-derivative financial assets

Non-derivative financial assets comprise investments in equity and debt securities, trade and other receivables and cash and cash equivalents.

Non-derivative financial assets are recognised initially at fair value plus, including financial assets not held at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial assets are measured as described below.

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset.

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in the profit or loss.

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses (see note 2(g)(v)) and foreign exchange gains and losses on available-for-sale monetary items (see note 2(c)), are recognised directly in other comprehensive income and presented in the available-for-sale reserve in equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to the profit or loss.

Investments in equity securities whose fair value cannot be reliably measured are measured at cost less impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

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 cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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

The Group classifies non-derivative financial liabilities under the other financial liabilities category. 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 rate method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

(ii) 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.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(ii) Derivative financial instruments and hedging activities (cont'd)

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance is reclassified to profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to the profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the profit or loss. The hedged item is adjusted to reflect change in its fair value in respect of the risk being hedged, with any gain or loss being recognised in the profit or loss.

Hedge of net investment in a foreign operation

In the Company's financial statements, foreign currency differences arising from the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the profit or loss. On consolidation, such differences are recognised directly in other comprehensive income and presented in the foreign currency translation reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the profit or loss. When the hedged net investment is disposed off, the cumulative amount in other comprehensive income is transferred to the profit or loss.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in the profit or loss.

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 the profit or loss.

(iii) Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds 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. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(iv) Financial guarantees

Financial guarantee contracts are classified as financial liabilities unless the Group or the Company has previously asserted explicitly that it regards such contracts as insurance contracts and accounted for them as such.

Financial guarantees classified as financial liabilities

Such financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Financial guarantees classified as insurance contracts

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Group's or the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period.

The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

(v) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has been 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 (including equity securities) 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 in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

All individually significant financial assets are assessed for specific impairment on an individual basis. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has incurred but not yet identified. The remaining financial assets that are not individually significant are collectively assessed for impairment by grouping together such instruments with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than that 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 original effective interest rate. Losses are recognised in the profit or loss and reflected as an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the available-for-sale reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the profit or loss. Changes in impairment provision attributable to application of the effective interest method are reflected as a component of interest income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(v) Impairment of financial assets (cont'd)

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in the profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(h) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity.

Where share capital recognised as equity is repurchased ("treasury shares"), the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own share account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(i) Development properties for sale

Development properties for sale are stated at the lower of cost plus, where appropriate (see note 2(n)), a portion of the attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of properties under development 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.

(j) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, an impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Impairment of non-financial assets (cont'd)

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 profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication 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.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

(k) Employee benefits

Short term employee benefits

All short term employee benefits, including accumulated compensated absences, are recognised in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

Long service leave entitlement

Liabilities for other employee entitlements which are not expected to be paid or settled within twelve months of the reporting date are accrued in respect of all employees at the present value of the future amounts expected to be paid based on a projected weighted average increase in wage and salary rates. Expected future payments are discounted using interest rates on relevant government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Employee benefits (cont'd)

Share-based payments (cont'd)

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised for the period.

The proceeds received from the exercise of the equity instruments, net of any directly attributable transaction costs, are credited to share capital when the equity instruments are exercised.

(l) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

(m) Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest over the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in either property, plant and equipment (see note 2(d)) or investment properties (see note 2(f)).

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(n) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Development properties for sale

The Group recognises income on property development projects when the significant risks and rewards of ownership have been transferred to the purchasers. For development projects under progressive payment scheme in Singapore, whereby the legal terms in the sale contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into profit or loss only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project. For development projects under deferred payment scheme in Singapore and overseas development projects, the revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

Revenue excludes goods and services or other sale taxes and is after deduction of any trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of unit sold.

Financial advisory and management fee

Financial advisory and management fee is recognised as and when services are rendered.

Dividends

Dividend income is recognised on the date that the Group's right to receive payment is established.

Interest income

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

(o) Finance costs

Borrowing costs are recognised using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(p) Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(p) Tax *(cont'd)*

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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 temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which 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.

(q) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise issued convertible bonds and share plans granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Council of Chief Executive Officers ("CEOs") that makes strategic resources allocation decisions. Following the re-organisation on 3 January 2013, the Council of CEOs has been renamed to Executive Management Council. The Council comprises the President & Group CEO, all CEOs of business units and key management officers of the Corporate Office.

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

	Serviced residence properties	Leasehold land	Other leasehold buildings	Plant, machinery and improvements	Motor vehicles	Furniture, fittings and equipment	Assets under construction	Total
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
At 1 January 2012	806,127	5,128	61,788	95,523	2,424	328,515	66,948	1,366,453
Translation differences	(37,754)	(43)	(384)	(2,679)	(82)	(13,402)	(5,967)	(60,311)
Additions	3,373	–	501	2,622	848	47,345	90,180	144,869
Acquisition of subsidiaries (note 30(b))	315,016	–	–	–	–	3,356	–	318,372
Disposal of subsidiaries	(74,920)	(4,244)	(28,954)	(44,231)	(145)	(14,560)	–	(167,054)
Disposals/Written off	(169,764)	–	(428)	(2,150)	(459)	(26,618)	(6,378)	(205,797)
Reclassification from other category of assets	18,277	–	–	–	–	–	121,551	139,828
Reclassifications	(3,552)	–	–	(279)	5	3,834	(8)	–
At 31 December 2012	856,803	841	32,523	48,806	2,591	328,470	266,326	1,536,360

Accumulated depreciation and impairment loss

At 1 January 2012	22,305	315	15,537	47,252	1,280	204,259	–	290,948
Translation differences	(289)	(3)	(35)	(1,714)	(32)	(9,581)	–	(11,654)
Impairment	–	–	1,306	–	–	66	–	1,372
Depreciation for the year	1,405	37	1,510	4,460	323	37,376	–	45,111
Disposal of subsidiaries	(8,580)	(258)	(3,091)	(9,089)	(86)	(8,222)	–	(29,326)
Disposals/Written off	–	–	(214)	(2,005)	(173)	(21,314)	–	(23,706)
Reclassifications	(182)	–	–	(18)	1	199	–	–
At 31 December 2012	14,659	91	15,013	38,886	1,313	202,783	–	272,745

Carrying amount

At 1 January 2012	783,822	4,813	46,251	48,271	1,144	124,256	66,948	1,075,505
At 31 December 2012	842,144	750	17,510	9,920	1,278	125,687	266,326	1,263,615

Cost

At 1 January 2011	853,448	5,017	49,187	90,331	3,055	284,230	47,761	1,333,029
Translation differences	(21,244)	111	533	1,645	3	2,630	(6,247)	(22,569)
Additions	2,406	–	13,404	5,204	623	72,305	11,084	105,026
Acquisition of subsidiaries (note 30(b))	201,645	–	–	218	–	357	16,615	218,835
Disposal of subsidiaries	(229,397)	–	(164)	–	(555)	(10,256)	(1,738)	(242,110)
Disposals/Written off	(731)	–	(1,172)	(2,278)	(702)	(22,425)	–	(27,308)
Reclassification from other category of assets	–	–	–	–	–	1,550	–	1,550
Reclassifications	–	–	–	403	–	124	(527)	–
At 31 December 2011	806,127	5,128	61,788	95,523	2,424	328,515	66,948	1,366,453

Accumulated depreciation and impairment loss

At 1 January 2011	21,359	171	14,364	42,124	2,081	203,523	–	283,622
Translation differences	820	10	(311)	436	3	1,463	–	2,421
Depreciation for the year	126	134	1,958	6,783	336	29,671	–	39,008
Disposal of subsidiaries	–	–	–	–	(523)	(9,141)	–	(9,664)
Disposals/Written off	–	–	(474)	(2,091)	(617)	(21,257)	–	(24,439)
At 31 December 2011	22,305	315	15,537	47,252	1,280	204,259	–	290,948

Carrying amount

At 1 January 2011	832,089	4,846	34,823	48,207	974	80,707	47,761	1,049,407
At 31 December 2011	783,822	4,813	46,251	48,271	1,144	124,256	66,948	1,075,505

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) Residual values of serviced residence properties at the end of the intended holding period are determined based on annual independent professional valuations, using valuation methods such as discounted cash flow and/or comparison method. Residual value is the estimated amount that the Group would obtain from the disposal of a property if the property is already of the age and in the condition expected at the date when the Group has the intention to dispose that property. The key assumptions used to determine the residual values of serviced residence properties include market corroborated capitalisation yield, terminal yield and discount rate. In relying on valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.
- (b) As at 31 December 2012, certain property, plant and equipment with carrying value totalling approximately \$294.8 million (2011: \$391.6 million) were mortgaged to banks to secure credit facilities for the Group (note 18).
- (c) During the financial year ended 31 December 2012, the Group transferred a portion of an investment property under development amounting to \$121.6 million to property, plant and equipment. The amount transferred represents the area that is designated to be owner-occupied.
- (d) During the financial year ended 31 December 2012, interest capitalised as cost of property, plant and equipment amounted to approximately \$1.0 million (2011: \$3.1 million) (note 26(d)).

	Renovations and improvements	Furniture, fittings and equipment	Motor vehicles	Total
The Company	\$'000	\$'000	\$'000	\$'000
Cost				
At 1 January 2012	11,748	23,934	516	36,198
Additions	143	7,049	352	7,544
Disposals/Written off	(4)	(1,713)	(341)	(2,058)
At 31 December 2012	11,887	29,270	527	41,684

Accumulated depreciation and impairment loss

At 1 January 2012	11,379	11,780	209	23,368
Impairment	–	66	–	66
Depreciation for the year	290	5,255	72	5,617
Disposals/Written off	(4)	(1,700)	(63)	(1,767)
At 31 December 2012	11,665	15,401	218	27,284

Carrying amount

At 1 January 2012	369	12,154	307	12,830
At 31 December 2012	222	13,869	309	14,400

Cost

At 1 January 2011	11,578	16,741	442	28,761
Additions	170	7,762	340	8,272
Disposals/Written off	–	(569)	(266)	(835)
At 31 December 2011	11,748	23,934	516	36,198

Accumulated depreciation

At 1 January 2011	10,784	9,380	433	20,597
Depreciation for the year	595	2,961	42	3,598
Disposals/Written off	–	(561)	(266)	(827)
At 31 December 2011	11,379	11,780	209	23,368

Carrying amount

At 1 January 2011	794	7,361	9	8,164
At 31 December 2011	369	12,154	307	12,830

NOTES TO THE FINANCIAL STATEMENTS

4 INTANGIBLE ASSETS

		Goodwill	Others^	Total
The Group	Note	\$'000	\$'000	\$'000
Cost				
At 1 January 2012		511,086	26,969	538,055
Acquisition of a subsidiary	30(b)	16,919	–	16,919
Additions		–	1,202	1,202
Disposals		(12,350)	–	(12,350)
Reclassification to other category of assets		–	(726)	(726)
Translation differences		(478)	(468)	(946)
At 31 December 2012		515,177	26,977	542,154
Accumulated amortisation and impairment loss				
At 1 January 2012		66,161	13,172	79,333
Amortisation for the year		–	1,329	1,329
Reversal of impairment		–	(73)	(73)
Translation differences		(182)	(346)	(528)
At 31 December 2012		65,979	14,082	80,061
Carrying amount				
At 1 January 2012		444,925	13,797	458,722
At 31 December 2012		449,198	12,895	462,093
Cost				
At 1 January 2011		511,341	26,048	537,389
Acquisition of a subsidiary		–	835	835
Additions		–	410	410
Disposals/Written off		(492)	(21)	(513)
Translation differences		237	(303)	(66)
At 31 December 2011		511,086	26,969	538,055
Accumulated amortisation and impairment loss				
At 1 January 2011		65,924	11,860	77,784
Amortisation for the year		–	1,601	1,601
Translation differences		237	(289)	(52)
At 31 December 2011		66,161	13,172	79,333
Carrying amount				
At 1 January 2011		445,417	14,188	459,605
At 31 December 2011		444,925	13,797	458,722

		Goodwill	Others^	Total
The Company		\$'000	\$'000	\$'000
Cost and carrying amount				
At 1 January 2011, 31 December 2011 and 31 December 2012		–	147	147

^ Others comprise trademarks, franchises, patents, licences and club memberships.

4 INTANGIBLE ASSETS (cont'd)

Impairment test for Goodwill

For the purpose of goodwill impairment testing, the carrying amounts of goodwill allocated to the cash-generating units ("CGU") as at 31 December were as follows:

	Terminal Growth Rates		Discount Rates		Carrying Value	
	2012 %	2011 %	2012 %	2011 %	2012 \$'000	2011 \$'000
The Ascott Limited ("Ascott")	0.4	0.7	5.8	5.6	432,279	444,925
A Serviced Residence in London	2.5	–	7.8	–	16,919	–
Balance as at 31 December					449,198	444,925

The recoverable amounts of the CGU are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering three to five years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rates applied are the weighted average cost of capital from the relevant business segment. The key assumptions are those relating to expected changes in average room rates and occupancy and direct costs. The terminal growth rates used for each CGU do not exceed management's expectation of the long term average growth rates of the respective industry and country in which the CGU operates.

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

5 INVESTMENT PROPERTIES

		The Group	
	Note	2012 \$'000	2011 \$'000
At 1 January		7,074,617	4,732,895
Acquisition of subsidiaries	30(b)	544,416	428,255
Disposal of subsidiaries	30(d)	(249,579)	(239,052)
Additions		904,341	2,172,334
Disposals		(93,874)	(471,248)
Reclassification (to)/from development properties for sale and property, plant and equipment		(194,986)	52,347
Changes in fair value	26(a)	155,092	285,032
Translation differences		(170,625)	114,054
At 31 December		7,969,402	7,074,617

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENT PROPERTIES *(cont'd)*

- (a) Investment properties, which include investment properties in the course of development are stated at fair value based on independent professional valuations or internal valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, 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.

- (b) As at 31 December 2012, investment properties valued at \$2,956.1 million (2011: \$3,376.5 million) were under development.
- (c) As at 31 December 2012, certain investment properties with carrying value of approximately \$3,319.2 million (2011: \$2,289.0 million) were mortgaged to banks to secure credit facilities for the Group (notes 18 and 19).
- (d) During the financial year ended 31 December 2012, interest capitalised as cost of investment properties amounted to approximately \$52.6 million (2011: \$23.5 million) (note 26(d)).
- (e) Investment properties of the Group are held mainly for use by tenants under operating leases. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Lease rentals receivable:				
Not later than 1 year	346,878	300,985	—	—
Between 1 and 5 years	1,096,018	1,030,601	—	—
After 5 years	638,301	491,466	—	—
	2,081,197	1,823,052	—	—

- (f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to \$5.7 million for the year (2011: \$3.5 million).

6 SUBSIDIARIES

	The Company	
	2012 \$'000	2011 \$'000
(a) Unquoted shares, at cost	7,438,402	7,434,320
Less:		
Allowance for impairment loss	(87,459)	(70,264)
	7,350,943	7,364,056
Add:		
Amounts due from subsidiaries:		
Loan accounts		
– interest bearing	1,424,750	1,424,750
– interest free	1,957,468	1,956,745
Less: Allowance for doubtful receivables	(186,247)	(139,742)
	3,195,971	3,241,753
	10,546,914	10,605,809

- (i) The loans to subsidiaries form part of the Company's net investment in the subsidiaries. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.
- (ii) As at 31 December 2012, the effective interest rates for amounts due from subsidiaries ranged from 2.10% to 2.95% (2011: 2.10% to 2.95%) per annum.
- (iii) Movements in allowance for impairment loss were as follows:

	Note	The Company	
		2012 \$'000	2011 \$'000
At 1 January		(70,264)	(113,700)
Allowance during the year		(31,904)	(16,931)
Reversal of allowance during the year	26(a)	2,601	—
Transfer to allowance for doubtful receivables	6(a)(iv)	12,108	—
Allowance utilised upon disposal		—	60,367
At 31 December		(87,459)	(70,264)

During the year ended 31 December 2012, an allowance for impairment loss amounting to \$31.9 million (2011: \$16.9 million) was recognised in respect of the Company's investments in certain subsidiaries as a result of a decline in market value of assets held by these subsidiaries, arising from a deterioration of the economic environment in which the relevant subsidiaries operate. The recoverable amounts for each of the relevant subsidiaries were estimated based on the higher of the value in use calculation using cash flow projections based on financial budgets and forecasts covering a three year period, or the fair value of the net assets as at balance sheet date. During the year, a transfer of impairment amounting to \$12.1 million was also made as a result of an internal restructuring.

NOTES TO THE FINANCIAL STATEMENTS

6 SUBSIDIARIES (cont'd)

(a) Unquoted shares, at cost (cont'd)

(iv) The movements in allowances for doubtful receivables in respect of the amounts due from subsidiaries were as follows:

The Company		
Note	2012 \$'000	2011 \$'000
At 1 January	(139,742)	(8,960)
Allowance during the year	(34,397)	(130,782)
Transfer from allowance for impairment loss	6(a)(iii) (12,108)	–
At 31 December	(186,247)	(139,742)

In 2012, an allowance for doubtful receivables of \$34.4 million (2011: \$130.8 million) was made in respect of loans extended to subsidiaries based on the estimated future cashflow recoveries.

(b) Details of the subsidiaries are set out in note 37.

7 ASSOCIATES

The Group		
Note	2012 \$'000	2011 \$'000

(a) Interests in associates

Investment in associates	9,083,337	8,668,135
Less:		
Allowance for impairment loss	(28,049)	(48,090)
	9,055,288	8,620,045

Add:

Amounts due from associates:

Loan accounts

– interest free	305,774	339,910
– interest bearing	331,289	331,289
	637,063	671,199
	9,692,351	9,291,244

Less:

Allowance for doubtful receivables	(54)	(507)
	9,692,297	9,290,737

(i) Movements in allowance for impairment loss were as follows:

The Group		
Note	2012 \$'000	2011 \$'000
At 1 January	(48,090)	(48,473)
Allowance during the year	26(c)(iii) (4,612)	(3,437)
Allowance utilised upon disposal	24,653	3,820
At 31 December	(28,049)	(48,090)

(ii) The loans to associates form part of the Group's net investment in associates. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

7 ASSOCIATES (cont'd)

(a) Interests in associates (cont'd)

(iii) As at 31 December 2012, the effective interest rate for the loan to an associate is 2.28% (2011: 2.54%) per annum.

(iv) Loan accounts include an amount of approximately \$331.3 million (2011: \$331.3 million) of which its repayment is subordinated to that of the external borrowings taken by an associate.

(v) The Group's share of the contingent liabilities of the associates is \$360.9 million (2011: \$339.6 million).

(vi) The Group's investments in associates include investments in listed associates with a carrying amount of \$4,969.3 million (2011: \$4,774.6 million), for which the published price quotations are \$5,433.8 million (2011: \$3,900.1 million).

The Group		
Note	2012 \$'000	2011 \$'000

(b) Amounts due from/(to) associates:

Current accounts (unsecured)

– interest free (trade)	64,131	60,616
– interest free (non-trade)	62,699	84,570
– interest bearing (non-trade)	498,550	269,416
	625,380	414,602

Less:

Allowance for doubtful receivables	(19,759)	(5,475)
	12 605,621	409,127

Current accounts (mainly non-trade and unsecured)

– interest free	(164,068)	(114,431)
– interest bearing	(171,374)	(155,474)
	16 (335,442)	(269,905)

(c) Details of the associates are set out in note 38.

(d) The financial information of the associates, not adjusted for the percentage ownership held by the Group is as follows:

The Group		
	2012 \$'000	2011 \$'000

Balance sheet

Total assets	50,122,018	47,535,023
Total liabilities	23,663,896	22,345,535

Income statement

Revenue	4,830,656	4,682,279
Profit after taxation	2,271,633	1,969,598

NOTES TO THE FINANCIAL STATEMENTS

8 JOINT VENTURES

The Group		
	2012 \$'000	2011 \$'000
(a) Interests in joint ventures		
Investment in joint ventures	1,841,201	1,123,804
Less:		
Allowance for impairment loss	(10,633)	(10,211)
	1,830,568	1,113,593
Amounts due from joint ventures:		
Loan accounts		
– interest free	838,533	104,841
– interest bearing	162,341	188,954
	1,000,874	293,795
	2,831,442	1,407,388
Less:		
Allowance for doubtful receivables	(12,457)	(13,125)
	2,818,985	1,394,263

(i) Movements in allowance for impairment loss were as follows:

			The Group
	Note	2012 \$'000	2011 \$'000
At 1 January		(10,211)	(13,004)
Allowance during the year	26(c)(iii)	(422)	–
Allowance utilised upon disposal		–	2,793
At 31 December		(10,633)	(10,211)

(ii) The loans to joint ventures form part of the Group's net investment in joint ventures. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

As at 31 December 2012, the effective interest rates for the loans to joint ventures ranged from 1.06% to 7.25% (2011: 1.00% to 7.25%) per annum.

Loan accounts include an amount of approximately \$178.0 million (2011: \$182.1 million) of which its repayment is subordinated to that of the external borrowings taken by certain joint ventures.

8 JOINT VENTURES (cont'd)

		The Group	
	Note	2012 \$'000	2011 \$'000
b) Amounts due from/(to) joint ventures:			
Current accounts (unsecured)			
– interest free (trade)		18,639	13,693
– interest free (non-trade)		96,859	145,814
– interest bearing (non-trade)		9,451	–
		124,949	159,507
Less:			
Allowance for doubtful receivables		(9,268)	(9,606)
	12	115,681	149,901
Current accounts (unsecured)			
– interest free (mainly non-trade)		(27,181)	(31,139)
– interest bearing (non-trade)		(31,615)	–
	16	(58,796)	(31,139)

(c) Details of the joint ventures are set out in note 39.

(d) Movements in allowance for doubtful receivables in respect of the above loans and current accounts were as follows:

The Group		
	2012 \$'000	2011 \$'000
At 1 January	(22,731)	(24,749)
Allowance during the year	(1,710)	(990)
Reversal of allowance during the year	1,663	1,622
Allowance utilised	–	395
Translation differences	1,053	991
At 31 December	(21,725)	(22,731)

NOTES TO THE FINANCIAL STATEMENTS

8 JOINT VENTURES (cont'd)

(e) The Group's share of the joint ventures' assets, liabilities and results is as follows:

	The Group	
	2012 \$'000	2011 \$'000
Balance sheet		
Investment properties	3,313,799	2,107,386
Other non-current assets	318,691	56,964
	3,632,490	2,164,350
Current assets	1,407,584	1,120,963
Less:		
Current liabilities	(462,441)	(310,452)
Net current assets	945,143	810,511
	4,577,633	2,974,861
Less:		
Non-current liabilities	(2,686,547)	(1,797,894)
	1,891,086	1,176,967
Income statement		
Revenue	569,864	599,222
Expenses	(437,683)	(468,261)
Fair value gains on investment properties	31,149	109,893
Profit before taxation	163,330	240,854
Taxation	(27,746)	(15,402)
Profit after taxation	135,584	225,452

(f) The Group's share of the capital commitments of the joint ventures is \$858.5 million (2011: \$333.2 million).

(g) The Group's share of the contingent liabilities of the joint ventures is \$9.0 million (2011: \$0.1 million).

9 DEFERRED TAXATION

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) were as follows:

	At 1/1/2012	Recognised in profit or loss	Acquisition/ Disposal of subsidiaries	Translation differences	At 31/12/2012
The Group	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities					
Accelerated tax depreciation	14,420	2,438	(2,547)	(357)	13,954
Discounts on compound financial instruments	44,367	(10,809)	–	–	33,558
Accrued income and interest receivable	15,038	2,905	–	(35)	17,908
Capital allowances of assets in investment properties	2,148	27	–	–	2,175
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	461,680	(6,072)	–	(17,788)	437,820
Fair value adjustments arising from a business combination	–	–	19,313	(338)	18,975
Fair value changes of investment properties	140,213	34,822	(8,416)	(7,311)	159,308
Unremitted earnings/Deferred income	41,266	6,218	–	(819)	46,665
Others	9,495	18,406	(205)	(496)	27,200
Total	728,627	47,935	8,145	(27,144)	757,563
Deferred tax assets					
Unutilised tax losses	(61,689)	(4,833)	–	1,260	(65,262)
Provisions and expenses	(58,598)	2,190	–	703	(55,705)
Deferred income	(22,809)	1,908	–	394	(20,507)
Fair value adjustments on initial recognition of development properties for sale	(24,218)	–	–	1,133	(23,085)
Others	(29,346)	3,525	–	211	(25,610)
Total	(196,660)	2,790	–	3,701	(190,169)

NOTES TO THE FINANCIAL STATEMENTS

9 DEFERRED TAXATION (cont'd)

	At 1/1/2011	Recognised in profit or loss	Recognised in equity	Disposal of subsidiaries	Translation differences	At 31/12/2011
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities						
Accelerated tax depreciation	12,736	1,093	–	–	591	14,420
Discounts on compound financial instruments	55,176	(10,809)	–	–	–	44,367
Accrued income and interest receivable	13,661	1,359	–	–	18	15,038
Capital allowances of assets in investment properties	10,075	(7,927)	–	–	–	2,148
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	430,675	22,243	–	(1,925)	10,687	461,680
Fair value changes of investment properties	95,692	46,449	–	(7,539)	5,611	140,213
Unremitted earnings/Deferred income	26,309	14,409	–	–	548	41,266
Derivative financial instruments	589	(606)	–	–	17	–
Others	22,766	(9,846)	(1,482)	(2,104)	161	9,495
Total	667,679	56,365	(1,482)	(11,568)	17,633	728,627
Deferred tax assets						
Unutilised tax losses	(78,427)	17,372	–	–	(634)	(61,689)
Provisions and expenses	(57,385)	(367)	–	–	(846)	(58,598)
Deferred income	(17,741)	(4,645)	–	–	(423)	(22,809)
Fair value adjustments on initial recognition of development properties for sale	(23,592)	–	–	–	(626)	(24,218)
Others	(8,148)	(21,406)	–	–	208	(29,346)
	(185,293)	(9,046)	–	–	(2,321)	(196,660)

	At 1/1/2011	Recognised in profit or loss	At 1/1/2012	Recognised in profit or loss	At 31/12/2012
The Company	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities					
Discounts on compound financial instruments	55,176	(10,809)	44,367	(10,809)	33,558
Deferred tax assets					
Provisions	(3,135)	251	(2,884)	295	(2,589)

9 DEFERRED TAXATION (cont'd)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown on the balance sheets:

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deferred tax liabilities	658,989	627,638	33,558	44,367
Deferred tax assets	(91,595)	(95,671)	(2,589)	(2,884)
	567,394	531,967	30,969	41,483

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which 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. The Group has not recognised deferred tax assets in respect of the following:

	2012 \$'000	2011 \$'000
Deductible temporary differences	96,849	77,759
Tax losses	449,746	421,764
Unutilised capital allowances	3,921	5,686
	550,516	505,209

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries of the Group can utilise the benefits. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The deductible temporary differences do not expire under current tax legislation.

10 OTHER NON-CURRENT/CURRENT ASSETS

	The Group		
	Note	2012 \$'000	2011 \$'000
(a) Other non-current assets			
Available-for-sale equity securities			
– at cost		13,963	24,620
– at fair value		270,768	324,723
Derivative assets		27,722	31,720
Amounts due from:			
– an associate and joint ventures (interest free)		36,848	8,481
– a joint venture (interest bearing)	(i)	135,000	135,000
Interest receivables	(ii)	61,029	50,500
Other receivables	(iii)	157,208	169,283
Prepayments and deposits	(iv)	93,175	51,628
		795,713	795,955

(i) Amount due from the joint venture is unsecured and bears an effective interest rate of 3.25% per annum.

(ii) Interest receivables include (i) \$48.4 million (2011: \$39.6 million) in respect of a loan to an associate which bears an interest rate of 2.28% (2011: 2.54%) per annum and is due on 31 December 2014; and (ii) \$12.6 million (2011: \$10.9 million) in respect of a loan to a joint venture which bears an interest rate of 1.06% (2011: 1.45%) per annum and is due after the Temporary Occupation Permit for the development property is obtained, which is expected to be in or after December 2013.

NOTES TO THE FINANCIAL STATEMENTS

10 OTHER NON-CURRENT/CURRENT ASSETS (cont'd)

(a) Other non-current assets (cont'd)

(iii) Other receivables as at 31 December 2012 include:

- \$70.4 million (2011: \$34.4 million) from a third party which bears an effective interest rate of 13.0% (2011: 13.0%) per annum, is trade in nature, secured and repayable in January 2014 and
- non-current consideration receivable of \$63.3 million (2011: \$76.9 million) relating to the sale of a joint venture in 2011. The total consideration is receivable in four unequal annual installments commencing 2012. The consideration receivable within 12 months as at 31 December 2012, amounted to \$13.9 million (2011: \$14.5 million) and is included in current other receivables.

As at 31 December 2011, other receivables included an amount of \$31.9 million due from a third party which bore an effective interest rate of 8.3% per annum, secured and repayable in June 2013. The amount has been fully repaid in 2012.

- (iv) The amount as at 31 December 2012 relates to deposits paid for land purchases and facility fees. The amount as at 31 December 2011 relates to progress payments for a property under development and facility fees.

(b) Other current assets

	The Group	
	2012 \$'000	2011 \$'000
Available-for-sale money market investment, at fair value	195,000	195,000
Derivative assets	6,370	–
	201,370	195,000

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS

	The Group	
	2012 \$'000	2011 \$'000

(a) Properties under development, sold units for which revenue is recognised using percentage of completion method

Cost incurred and attributable profits	3,586,513	3,416,824
Allowance for foreseeable losses	(17,190)	(17,190)
	3,569,323	3,399,634
Progress billings	(965,158)	(1,190,853)
	2,604,165	2,208,781
Other properties under development		
Cost incurred	4,787,520	4,466,427
Allowance for foreseeable losses	(79,932)	(30,503)
	4,707,588	4,435,924
	7,311,753	6,644,705

(b) Completed development properties, at cost

	198,088	259,948
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(c) Consumable stocks

	252	471
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Total development properties for sale and stocks	7,510,093	6,905,124
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11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS (cont'd)

- (d) The Group adopts the percentage of completion method of revenue recognition for residential projects under progressive payment scheme in Singapore. The stage of completion is measured in accordance with the accounting policy stated in note 2(n). Significant assumptions are required in determining the stage of completion, the total estimated development costs and the estimated total revenue. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists.

The Group makes allowance for foreseeable losses taking into account the Group's recent experience in estimating net realisable values of completed units and properties under development by reference to comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

- (e) As at 31 December 2012, development properties for sale amounting to approximately \$2,611.2 million (2011: \$2,037.7 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

- (f) During the financial year, the following amounts were capitalised as cost of development properties for sale:

		The Group	
	Note	2012 \$'000	2011 \$'000
Staff costs	26(b)	66,729	61,404
Interest costs paid/payable	26(d)	105,950	100,725
Less:			
Interest income received/receivable from project fixed deposit accounts	26(a)	(164)	(474)
		172,515	161,655

- (g) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	The Group	
	2012 \$'000	2011 \$'000
At 1 January	(47,693)	(47,693)
Allowance during the year	(49,429)	–
At 31 December	(97,122)	(47,693)

- (h) As at 31 December 2012, properties amounting to approximately \$57.5 million (2011: \$77.8 million) were acquired through unconditional contracts with various land vendors. The related amount due to land vendors is secured over the title of the properties being purchased (notes 16 and 20).

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Accrued receivables	(a)	48,199	2,959	–	–
Trade receivables	13	269,311	386,773	5	227
Deposits and other receivables	14	209,459	696,564	428	438
Amounts due from:					
– subsidiaries	17	–	–	2,446,359	2,588,058
– associates	7(b)	605,621	409,127	–	–
– joint ventures	8(b)	115,681	149,901	–	–
– investees:					
– interest free		1,560	1,645	–	–
– interest bearing		23,405	53,914	–	–
– non-controlling interest (unsecured and interest free)		1,065	640	–	–
Loans and receivables	32(e)	1,274,301	1,701,523	2,446,792	2,588,723
Prepayments		210,452	67,851	429	1,579
		1,484,753	1,769,374	2,447,221	2,590,302

(a) Accrued receivables relate to the remaining sales consideration not yet billed on completed development properties for sale.

(b) As at 31 December 2012, certain trade and other receivables amounting to approximately \$15.9 million (2011: \$77.6 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

13 TRADE RECEIVABLES

	Note	The Group		The Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade receivables		287,846	397,450	5	227
Less:					
Allowance for doubtful receivables		(18,535)	(10,677)	–	–
	12	269,311	386,773	5	227

13 TRADE RECEIVABLES (cont'd)

(a) The maximum exposure to credit risk for trade receivables at the reporting date (by strategic business units) was:

	The Group	
	2012 \$'000	2011 \$'000
CapitaLand Residential Singapore	45,007	83,176
CapitaLand China Holdings	1,855	3,285
CapitaLand Commercial	1,367	14,493
Ascott	32,606	35,890
CapitaValue Homes	8,185	12,134
CapitaLand Financial	33,436	39,425
CapitaMalls Asia	52,976	131,387
Australand	93,133	63,689
Others	746	3,294
	269,311	386,773

The credit quality of trade and other receivables is assessed based on credit policies established by the Risk Committee. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units.

(b) The ageing of trade receivables at the reporting date was:

	Gross amount	Allowance for doubtful receivables	Gross amount	Allowance for doubtful receivables
The Group	2012 \$'000	2012 \$'000	2011 \$'000	2011 \$'000
Not past due	229,678	–	337,057	–
Past due 1 – 30 days	7,026	(37)	11,985	(130)
Past due 31 – 90 days	4,130	(185)	16,213	(108)
More than 90 days	47,012	(18,313)	32,195	(10,439)
	287,846	(18,535)	397,450	(10,677)

(c) The movements in allowance for doubtful receivables in respect of trade receivables were as follows:

	The Group	
	2012 \$'000	2011 \$'000
At 1 January	(10,677)	(14,515)
Allowance utilised	653	726
(Allowance)/Reversal of allowance during the year	(8,798)	2,856
Translation differences	287	256
At 31 December	(18,535)	(10,677)

Based on historical default rates, the Group believes that no allowance for doubtful debts is necessary in respect of the receivables not past due.

NOTES TO THE FINANCIAL STATEMENTS

14 DEPOSITS AND OTHER RECEIVABLES

Note	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deposits	70,564	586,728	326	306
Other receivables	155,457	127,111	102	132
Less:				
Allowance for doubtful receivables	(19,121)	(19,771)	–	–
	136,336	107,340	102	132
Tax recoverable	2,559	2,496	–	–
12	209,459	696,564	428	438

Other receivables include staff loans, interest receivables, deferred sales consideration and other recoverables.

The movements in allowance for doubtful receivables in respect of other receivables were as follows:

The Group	
	2012 \$'000
	2011 \$'000
At 1 January	(19,771)
Allowance utilised	381
Allowance during the year	(305)
Disposal of a subsidiary	–
Translation differences	574
At 31 December	(19,121)

Other than disclosed above, the Group believes that no additional allowance for doubtful debts is required in respect of the other receivables.

15 CASH AND CASH EQUIVALENTS

Note	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Fixed deposits	3,428,890	3,458,118	438,826	319,194
Cash at banks and in hand	2,068,803	2,806,355	3,824	7,345
Cash and cash equivalents	5,497,693	6,264,473	442,650	326,539
Restricted bank deposits	(a)	(4,110)	(9,506)	
Cash and cash equivalents in the statement of cash flows	5,493,583	6,254,967		

(a) These are bank balances of certain subsidiaries pledged in relation to bankers' guarantees issued to the subsidiaries' contractors.

(b) As at 31 December 2012, the Group's cash and cash equivalents of \$100.7 million (2011: \$102.6 million) were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on projects.

(c) The Group's cash and cash equivalents are held mainly in Singapore Dollars, US Dollars, Australian Dollars, Chinese Renminbi, Japanese Yen and Malaysian Ringgit. As at 31 December 2012, the effective interest rates for cash and cash equivalents ranged from 0% to 14.0% (2011: 0% to 14.0%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria and are of high credit standing.

16 TRADE AND OTHER PAYABLES

Note	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade payables	112,670	115,382	1,126	84
Accruals	(a)	484,918	587,685	43,601
Accrued development expenditure		277,694	278,770	–
Accrued capital expenditure	(b)	42,703	42,563	–
Other payables	(c)	325,164	317,426	969
Rental and other deposits		38,106	33,291	3
Derivative liabilities		49,255	58,175	–
Provisions	20(a)	24,736	18,596	–
Liability for employee benefits	21	50,762	38,644	25,550
Amounts due to:				
– subsidiaries	17	–	–	5,445
– associates	7(b)	335,442	269,905	–
– joint ventures	8(b)	58,796	31,139	–
Non-controlling interests (unsecured):				
– interest free		88,217	55,142	–
– interest bearing		773	105,000	–
Progress billings		470,362	318,770	–
		2,359,598	2,270,488	76,694

(a) Accruals included accrued interest payable, accrued expenditure for property, plant and equipment purchases and accrued administrative expenses.

(b) Accrued capital expenditure relates to amounts due from a subsidiary of the Group to land vendors under certain unconditional contracts entered into to purchase properties for future developments. The total acquisition cost of the properties has been included in development properties for sale and the amount payable is secured over the relevant development properties.

(c) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.

17 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The Company	
Note	
2012 \$'000	2011 \$'000
Current	
Amounts due from subsidiaries:	
– current accounts, mainly non-trade and interest bearing	23,895
– current loan	24,977
– interest free	361,733
– interest bearing	2,090,106
	2,451,839
Less: Allowance for doubtful receivables	(29,375)
	2,422,464
12	2,446,359
Amounts due to subsidiaries:	
– current loan and interest free	(5,445)
16	(5,445)

NOTES TO THE FINANCIAL STATEMENTS

17 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (cont'd)

(a) Movements in allowance for doubtful receivables were as follows:

	The Company	
	2012 \$'000	2011 \$'000
At 1 January	(30,625)	(55,949)
Allowance during the year	–	(2,575)
Reversal of allowance during the year	1,250	3,109
Allowance utilised upon disposal	–	24,790
At 31 December	(29,375)	(30,625)

(b) All balances with subsidiaries are unsecured, repayable on demand and bear effective interest rates ranging from 0.02% to 1.00% (2011: 0.03% to 1.00%) per annum.

18 BANK BORROWINGS

	The Group	
	2012 \$'000	2011 \$'000
Bank borrowings		
– secured	2,742,639	2,341,774
– unsecured	4,640,291	4,190,027
	7,382,930	6,531,801
Finance lease (secured)	10	–
	7,382,940	6,531,801
Repayable:		
Not later than 1 year	765,826	426,011
Between 1 and 2 years	1,282,785	1,145,806
Between 2 and 5 years	4,970,952	4,863,061
After 5 years	363,377	96,923
After 1 year	6,617,114	6,105,790
	7,382,940	6,531,801

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Australian Dollars, Japanese Yen and Chinese Renminbi. As at 31 December 2012, the effective interest rates for bank borrowings ranged from 0.66% to 17.00% (2011: 0.73% to 12.00%) per annum.

(b) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

- (i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties for sale and shares of certain subsidiaries of the Group; and
- (ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

19 DEBT SECURITIES

Debt securities comprise fixed rate notes, floating rate notes and bonds issued by the Company and subsidiaries in the Group.

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Convertible bonds	3,523,659	3,448,046	3,512,287	3,432,956
Notes and bonds	3,273,179	2,210,792	–	–
	6,796,838	5,658,838	3,512,287	3,432,956
Secured notes and bonds	121,195	140,409	–	–
Unsecured notes and bonds	6,675,643	5,518,429	3,512,287	3,432,956
	6,796,838	5,658,838	3,512,287	3,432,956
Repayable:				
Not later than 1 year	16,346	434,228	–	–
Between 1 and 2 years	334,580	–	–	–
Between 2 and 5 years	2,126,648	1,989,426	1,487,025	1,443,181
After 5 years	4,319,264	3,235,184	2,025,262	1,989,775
After 1 year	6,780,492	5,224,610	3,512,287	3,432,956
	6,796,838	5,658,838	3,512,287	3,432,956

(a) The repayment schedule for convertible bonds was based on the final maturity dates.

(b) As at 31 December 2012, the effective interest rates for debt securities ranged from 0.66% to 8.78% (2011: 1.00% to 5.81%) per annum.

(c) Details of the outstanding convertible bonds as at 31 December 2012 are as follows:

- (i) \$424.7 million principal amount of convertible bonds due on 15 November 2016 with interest rate at 2.10% per annum. These bonds are convertible into new ordinary shares at the conversion price of \$6.01 per share on or after 26 December 2006 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.
- (ii) \$1.0 billion principal amount of convertible bonds due on 20 June 2022 with interest rate at 2.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of \$11.5218 per share on or after 20 June 2008 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.
- (iii) \$1.05 billion principal amount of convertible bonds due on 5 March 2018 with interest rate at 3.125% per annum. These bonds are convertible into new ordinary shares at the conversion price of \$7.1468 per share on or after 15 April 2008 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates. The redemption price upon maturity is 109.998% of the principal amount.
- (iv) \$1.2 billion principal amount of convertible bonds due on 3 September 2016 with interest rate at 2.875% per annum. These bonds are convertible into new ordinary shares at the conversion price of \$4.6908 per share on or after 14 October 2009 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.

NOTES TO THE FINANCIAL STATEMENTS

19 DEBT SECURITIES (cont'd)

(d) Secured debt securities

As at 31 December 2012, the secured notes and bonds were fully secured by mortgages on the investment properties of the Group amounting to \$363.6 million (2011: \$372.8 million). Details on assets pledged are disclosed in the respective notes to the financial statements.

(e) Unsecured debt securities

The holders of certain debt securities have the option to have all or any of their notes purchased by the Group at their principal amounts on interest payment dates. Unless previously redeemed or purchased and cancelled, the debt securities are redeemable at the principal amounts on their respective maturity dates.

20 OTHER NON-CURRENT LIABILITIES

	Note	The Group		The Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Amounts due to non-controlling interests (unsecured):					
– interest free		75,219	61,549	–	–
– interest bearing		248,974	142,269	–	–
Amounts due to an associate (unsecured and interest bearing)		112,373	129,349	–	–
Liability for employee benefits	21	30,286	36,066	17,628	27,815
Derivative liabilities		137,832	77,347	–	–
Provisions	(a)	–	39,615	–	–
Customer deposits and other non-current payables	(b)	107,984	63,535	–	–
Deferred income		303	400	–	–
		712,971	550,130	17,628	27,815

(a) The provisions relate to the Group's exposure to unavoidable costs of meeting its obligation under contractual agreements. Movements in the provisions were as follows:

	Note	The Group	
		2012 \$'000	2011 \$'000
At 1 January		58,211	182,499
Reversal of provision during the year	26(a)	(16,000)	(2,700)
Provision utilised		(13,603)	(2,950)
Set off against available-for-sale equity security	(i)	(3,872)	(124,165)
Translation differences		–	5,527
At 31 December		24,736	58,211
Current	16	24,736	18,596
Non-current		–	39,615
		24,736	58,211

(i) During the year, provision amounting to \$3.9 million (2011: \$124.2 million) was set off against the carrying amount of an unquoted available-for-sale equity investment (note 10(a)).

(b) The other non-current payables include an amount of approximately \$14.8 million (2011: \$35.2 million), due to land vendors on terms similar to those described in note 16(b).

21 EMPLOYEE BENEFITS

	Note	The Group		The Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Liability for short term accumulating compensated absences		14,476	13,542	1,338	910
Liability for long service leave entitlement		7,585	6,334	–	–
Liability for staff incentive		53,612	49,011	41,363	46,614
Liability for cash-settled share-based payments		5,375	5,823	477	512
		81,048	74,710	43,178	48,036
Current	16	50,762	38,644	25,550	20,221
Non-current	20	30,286	36,066	17,628	27,815
		81,048	74,710	43,178	48,036

(a) Long service leave entitlement

This liability relates principally to provision made by a foreign subsidiary in relation to employees' leave entitlement granted after certain qualifying periods based on duration of employees' services rendered.

(b) Staff incentive

This relates to staff incentive which is based on the achievement of the Group's financial performance and payable over a period of time.

(c) Equity compensation benefits

Share Plans of the Company

A new CapitaLand Performance Share Plan 2010 and CapitaLand Restricted Share Plan 2010 were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. These plans replaced the CapitaLand Performance Share Plan 2000 and CapitaLand Restricted Stock Plan 2000 which were terminated. The Company did not extend the duration of, or replace, the existing CapitaLand Share Option Plan. All awards granted under the previous share plans prior to its termination will continue to be valid and be subject to the terms and conditions of the plans. The first grant of award under the new share plans was made in March 2011. The duration of each share plan is 10 years commencing on 16 April 2010.

The details of options and awards in the Company since commencement of the Share Plans were as follows:

<----- Aggregate Option/Shares ----->					
	Granted	Exercised/ Released	Lapsed/ Cancelled	Balance as of 31 December 2012	
	No. of options/shares	No. of options/shares	No. of options/shares	options/shares	No. of options/shares
CapitaLand Share Option Plan	159,442,307	(115,614,712)	(35,721,020)		8,106,575
CapitaLand Performance Share Plan 2000	34,594,651	(17,393,355)	(14,423,280)		2,778,016
CapitaLand Restricted Stock Plan 2000	33,689,553	(25,283,686)	(6,555,745)		1,850,122
Total	227,726,511	(158,291,753)	(56,700,045)		12,734,713
CapitaLand Performance Share Plan 2010	6,812,300	–	(391,374)		6,420,926
CapitaLand Restricted Share Plan 2010	14,160,540	(1,783,947)	(1,913,095)		10,463,498
Total	20,972,840	(1,783,947)	(2,304,469)		16,884,424

During the year, the aggregate number of new shares issued and/or to be issued pursuant to the 2010 Share Plans did not exceed 8% of the total number of shares (excluding treasury shares) in the capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS

21 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

CapitaLand Share Option Plan

The Company ceased to grant options under the CapitaLand Share Option Plan with effect from 2007. Statutory information regarding the CapitaLand Share Option Plan is set out below:

- (i) The exercise price of the options is set either at:
 - A price equal to the volume-weighted average price on the SGX-ST over the three consecutive trading days immediately preceding the grant of the option ("Market Price"), or such higher price as may be determined by the ERCC in its absolute discretion; or
 - A discount not exceeding 20% of the Market Price in respect of that option.
- (ii) The options vest between one year and four years from the grant date.
- (iii) The options granted expire after five or 10 years from the dates of the grant.

Movements in the number of outstanding options and their related weighted average exercise prices were as follows:

	Weighted average exercise price	No. of options	Weighted average exercise price	No. of options
	2012 \$	2012 (‘000)	2011 \$	2011 (‘000)
At 1 January	2.72	9,000	2.71	10,400
Exercised	1.20	(837)	2.50	(1,120)
Lapsed/Cancelled	3.08	(56)	3.02	(280)
At 31 December	2.87	8,107	2.72	9,000
Exercisable on 31 December	2.87	8,107	2.72	9,000

Options exercised in 2012 resulted in 836,913 (2011: 1,120,367) shares being issued at a weighted average market price of \$3.18 (2011: \$3.34) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was \$2.95 (2011: \$2.94).

The fair value of services received in return for options granted is measured by reference to the fair value of options granted. The fair value of the options granted is measured based on Enhanced Trinomial (Hull and White) valuation model.

Options outstanding at the end of the year are summarised below:

	Options outstanding 2012	Weighted average contractual life	Options outstanding 2011	Weighted average contractual life
Range of Exercise Price	(‘000)	(years)	(‘000)	(years)
\$0.30 to \$0.44	72	0.22	227	1.18
\$0.45 to \$0.50	368	1.16	615	2.00
\$0.51 to \$1.43	15	1.65	39	2.66
\$1.44 to \$2.16	1,310	2.18	1,632	3.18
\$2.17 to \$4.10	6,342	3.21	6,487	4.21
	8,107		9,000	

21 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

CapitaLand Performance Share Plan

This relates to compensation costs of the Company's Performance Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CapitaLand Performance Share were summarised below:

	2012 (‘000)	2011 (‘000)
At 1 January	9,269	9,219
Granted	3,488	3,324
Lapsed/Cancelled	(3,558)	(3,274)
At 31 December	9,199	9,269

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	2012	2011
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$3.79	\$2.52
Expected volatility based on 36 months closing share price prior to grant date	32.40%	34.61%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	27.72%	28.76%
Share price at grant date	\$3.11	\$3.33
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.30%	0.44%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.24%	1.67%
Correlation of return between MSCI Asia Pacific ex-Japan Real Estate Index and the Company's share price measured over 36 months prior to the grant date	78.30%	71.47%

CapitaLand Restricted Stock/Share Plan – Equity-settled/Cash-settled

This relates to compensation costs of the Company's Restricted Stock/Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate. The Company granted awards of shares under the CapitaLand Restricted Stock/Share Plan in place of options with effect from 2007.

The ERCC of the Company has instituted a set of share ownership guidelines for senior management who receives shares under the CapitaLand Restricted Stock/Share Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaLand shares acquired through the CapitaLand Restricted Stock/Share Plan which will vary according to their job grades and base salaries.

NOTES TO THE FINANCIAL STATEMENTS

21 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

CapitaLand Restricted Stock/Share Plan – Equity-settled/Cash-settled (cont'd)

Movements in the number of shares outstanding under the CapitaLand Restricted Stock/Share Plan were summarised below:

	2012 ('000)	2011 ('000)
At 1 January	13,063	13,491
Granted	7,635	7,422
Released [@]	(6,659)	(6,749)
Lapsed/Cancelled	(1,725)	(1,101)
At 31 December	12,314	13,063

[@] The number of shares released during the year was 6,658,736 (2011: 6,748,830), of which 846,520 (2011: 922,162) were cash-settled.

As at 31 December 2012, the number of shares comprised in awards granted under the CapitaLand Restricted Stock/Share Plan is as follows:

	2012			2011		
	Equity-settled	Cash-settled	Total	Equity-settled	Cash-settled	Total
	('000)	('000)	('000)	('000)	('000)	('000)
Final number of shares has not been determined (baseline award) [#]	6,820	259	7,079	5,506	744	6,250
Final number of shares determined but not released	4,648	587	5,235	5,939	874	6,813
	11,468	846	12,314	11,445	1,618	13,063

[#] The final number of shares released could range from 0% to 150% of the baseline award.

The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

The awards granted to non-executive directors prior to 2010 have a vesting period of two years. In 2010, the awards granted are time-based with no performance conditions and will be released over a vesting period of two years. With effect from 2011, the awards to non-executive directors form part of the directors' fees and will be an outright grant with no performance and vesting conditions.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

21 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

CapitaLand Restricted Stock/Share Plan – Equity-settled/Cash-settled (cont'd)

The fair values of the shares granted to employees are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	2012	2011
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	\$3.00	\$3.05
Expected volatility based on 36 months closing share price prior to grant date	32.40%	34.61%
Share price at grant date	\$3.11	\$3.14
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.15% to 0.30%	0.32% to 0.45%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.24%	1.66%

The fair value of the shares awarded to non-executive directors in 2012 was \$2.68 which represents the volume-weighted average price of a CapitaLand share on the SGX-ST over the 14 trading days immediately following the date of CapitaLand's Annual General Meeting.

From 2012, cash-settled award plan for non-managerial grade employees in Singapore, Malaysia and Japan has been replaced by a Restricted Cash Plan ("RCP"). Under RCP, a cash bonus is distributed to eligible employee at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

Share Plans of Subsidiaries

(a) CapitaMalls Asia Limited ("CMA")

The CMA Performance Share Plan and the CMA Restricted Stock Plan (collectively referred to as the "CMA Share Plans") were approved and adopted by the shareholders of CMA at an Extraordinary General Meeting held on 30 October 2009.

CMA Performance Share Plan

This relates to compensation costs of the CMA's Performance Share Plan reflecting the benefits accruing to the employees of CMA over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CMA Performance Share Plan were summarised below:

	2012 ('000)	2011 ('000)
At 1 January	2,158	872
Granted	1,769	1,326
Lapsed/Cancelled	(280)	(40)
At 31 December	3,647	2,158

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

NOTES TO THE FINANCIAL STATEMENTS

21 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

Share Plans of Subsidiaries (cont'd)

(a) CapitaMalls Asia Limited ("CMA") (cont'd)

CMA Performance Share Plan (cont'd)

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	2012	2011
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$2.06	\$1.19
Expected volatility based on average of peers' 36 months closing share price prior to grant date	32.42%	25.70%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	27.70%	26.92%
Share price at grant date	\$1.65	\$1.77
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.30%	0.44%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.27%	1.15%
Correlation of return between MSCI Asia Pacific ex-Japan Real Estate Index and CMA's share price measured over 36 months prior to the grant date	69.97%	69.36%

CMA Restricted Stock Plan – Equity-settled/Cash-settled

This relates to compensation costs of the CMA's Restricted Stock Plan reflecting the benefits accruing to the employees of CMA over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CMA Restricted Stock Plan were summarised below:

	2012 ('000)	2011 ('000)
At 1 January	7,987	4,117
Granted	7,384	6,036
Released [Ⓔ]	(3,419)	(1,520)
Lapsed/Cancelled	(1,018)	(646)
At 31 December	10,934	7,987

[Ⓔ] The number of shares released during the year was 3,418,735 (2011: 1,520,317), of which 995,898 (2011: 438,490) were cash-settled.

21 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

Share Plans of Subsidiaries (cont'd)

(a) CapitaMalls Asia Limited ("CMA") (cont'd)

CMA Restricted Stock Plan – Equity-settled/Cash-settled (cont'd)

As at 31 December 2012, the number of shares comprised in awards granted under the CMA Restricted Stock Plan is as follows:

	2012			2011		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award)*	4,932	993	5,925	3,672	1,536	5,208
Final number of shares determined but not released	3,527	1,482	5,009	1,988	791	2,779
	8,459	2,475	10,934	5,660	2,327	7,987

* The final number of shares released could range from 0% to 150% of the baseline award.

The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. The 2010 award to non-executive directors was time-based with no performance conditions and will be released over a vesting period of two years. With effect from 2011, no share awards were granted under the CMA Restricted Stock Plan to the non-executive directors.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	2012	2011
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$1.58 to \$1.92	\$1.69
Expected volatility based on average of peers' 36 months closing share price prior to grant date	32.42%	25.70%
Share price at grant date	\$1.65	\$1.72
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.15% to 0.30%	0.32% to 0.45%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.27%	1.14%

NOTES TO THE FINANCIAL STATEMENTS

21 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

Share Plans of Subsidiaries (cont'd)

(b) Australand

Australand Performance Rights Plan

The establishment of the Australand Performance Rights Plan was approved by Australand's shareholders at the 2007 Annual General Meeting ("AGM").

Movements in the number of shares outstanding under the Australand Performance Rights Plan as at the end of the year were summarised below:

	2012 ('000)	2011 ('000)
At 1 January	4,994	3,913
Granted	2,061	1,840
Exercised	(258)	–
Lapsed/Forfeited	(473)	(759)
At 31 December	6,324	4,994

The fair value at grant date is independently determined using the Monte Carlo simulation technique. This technique involves stock prices being randomly simulated under risk neutral conditions and parameters in order to calculate the value of the performance rights at expiry. The simulation is repeated numerous times to produce distribution payoff amounts. The performance rights value is taken as the average of the payoff amounts calculated and discounted back to the valuation date. The fair value and assumptions are set out below:

Year of Award	2012	2011
<i>Fair value of performance rights and assumptions</i>		
Weighted average value at measurement date	A\$1.78	A\$2.48
Share price at grant date	A\$2.49	A\$2.87
Expected price volatility of Australand's stapled securities	32.0%	35.0%
Expected dividend yield	8.0%	8.0%
Risk-free discount rate	2.5%	4.7%
Expected franking rate	0%	0%
Australand and index correlation	50.0%	50.0%

Australand Tax-Exempt Employee Security Plan

The Australand Tax-Exempt Employee Security Plan in which tax-exempt stapled securities may be issued by the company to employees for no cash consideration was approved by Australand's shareholders at the 2007 AGM. All Australian resident permanent (full-time and part-time) employees (excluding directors and participants in the Australand Performance Rights Plan) who have been continuously employed by Australand for a period of at least nine months as at the invitation date and are still employees as at the acquisition date (the date Australand acquires the securities) are eligible to participate in the plan. Employees may elect not to participate in the plan.

The plan provides up to A\$1,000 of Australand stapled securities (tax-free) to eligible employees annually for no cash consideration.

A three-year restriction period on selling, transferring or otherwise dealing with the securities applies, unless the employee leaves Australand. Under the plan, employees will receive the same benefits as all other security holders.

The number of securities issued to participants in the plan is the offer amount divided by the weighted average price at which Australand's stapled securities are traded on the Australian Stock Exchange during the week up to and including the acquisition date (rounded down to the nearest whole number of stapled securities).

No securities were issued under the Australand Tax-Exempt Employee Security Plan during the year. In 2011, 108,016 securities were issued at the weighted average market price of A\$2.90 per security.

22 SHARE CAPITAL

	The Company	
	2012 No. of shares ('000)	2011 No. of shares ('000)
Issued and fully paid, with no par value		
At 1 January	4,269,439	4,262,492
Issue of shares pursuant to the:		
– Exercise of options	837	1,120
– Restricted Stock Plans	63	5,827
– Payment of directors' fees	152	–
At 31 December, including treasury shares	4,270,491	4,269,439
Less: Treasury shares	(19,612)	(25,209)
At 31 December, excluding treasury shares	4,250,879	4,244,230

(a) The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regards to the Company's residual assets.

(b) At 31 December 2012, there were 8,106,575 (2011: 9,000,244) options under the CapitaLand Share Option Plan, a maximum of 17,548,384 (2011: 18,538,108) shares under the CapitaLand Performance Share Plan and 14,878,434 (2011: 14,197,716) shares under the CapitaLand Restricted Stock/Share Plan, details of which are disclosed in note 21(c).

(c) As at 31 December 2012, the convertible bonds issued by the Company which remained outstanding were as follows:

Principal Amount	Final Maturity Date	Conversion Price	Convertible Into
\$ million	Year	\$	
424.75	2016	6.01	70,673,876 new ordinary shares
1,000.00	2022	11.5218	86,791,994 new ordinary shares
1,050.00	2018	7.1468	146,918,900 new ordinary shares
1,200.00	2016	4.6908	255,819,903 new ordinary shares

There has been no redemption or conversion by the bondholders of any of the above convertible bonds in 2012 and 2011.

(d) Movements in the Company's treasury shares were as follows:

	The Company	
	2012 No. of shares ('000)	2011 No. of shares ('000)
At 1 January	25,209	–
Purchase of treasury shares	–	25,209
Treasury shares transferred pursuant to employee share plans	(5,597)	–
At 31 December	19,612	25,209

NOTES TO THE FINANCIAL STATEMENTS

22 SHARE CAPITAL (cont'd)

Capital Management

The Group's policy is to build a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total shareholders' equity, excluding non-controlling interests, and the level of dividends to ordinary shareholders.

The Group also monitors capital using a net debt equity ratio, which is defined as net borrowings divided by total equity (including non-controlling interests).

	The Group	
	2012 \$'000	2011 \$'000
Bank borrowings and debt securities	14,179,778	12,190,639
Cash and cash equivalents	(5,497,693)	(6,264,473)
Net debt	8,682,085	5,926,166
Total equity	19,443,784	19,239,471
Net debt equity ratio	0.45	0.31

The Group seeks to strike a balance between the higher returns that might be possible with higher level of borrowings and the liquidity and security afforded by a sound capital position.

In addition, the Company has a share purchase mandate as approved by its shareholders which allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased are held as treasury shares which the Company may transfer for the purposes of or pursuant to its employee share-based incentive schemes so as to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders.

Five of the Group's subsidiaries (2011: Six) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust management. These subsidiaries have complied with the applicable capital requirements throughout the year.

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

23 OTHER RESERVES

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Reserve for own shares	(49,366)	(63,456)	(49,366)	(63,456)
Capital reserve	463,217	445,666	383,490	383,490
Equity compensation reserve	114,948	109,815	46,701	39,980
Hedging reserve	(91,171)	(45,531)	–	–
Available-for-sale reserve	5,469	5,723	–	–
Foreign currency translation reserve	(573,145)	(177,150)	–	–
	(130,048)	275,067	380,825	360,014

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held in treasury.

The capital reserve comprises mainly the value of the options granted to bondholders to convert their convertible bonds into ordinary shares of the Company and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the options and shares under the share plans of the Company and its subsidiaries (note 21(c)).

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet affected profit or loss.

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale investment until the investment is derecognised.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities, as well as from the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities.

24 OTHER COMPREHENSIVE INCOME

	2012			2011		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Exchange differences arising from translation of foreign operations and foreign currency loans, forming part of net investment in foreign operations	(470,356)	–	(470,356)	138,012	–	138,012
Recognition of exchange differences to profit or loss	26,990	–	26,990	7,877	–	7,877
Change in fair value of available-for-sale investments	1,248	–	1,248	(2,987)	–	(2,987)
Recognition of fair value gain in available-for-sale reserve to profit or loss	(1,502)	–	(1,502)	(42,343)	1,482	(40,861)
Effective portion of change in fair value of cash flow hedges	(63,600)	–	(63,600)	(75,048)	–	(75,048)
Share of other comprehensive income of associates and joint ventures	(84,312)	–	(84,312)	87,637	–	87,637
Recognition of share of other comprehensive income of associates and joint ventures to profit or loss	–	–	–	14,175	–	14,175
	(591,532)	–	(591,532)	127,323	1,482	128,805

NOTES TO THE FINANCIAL STATEMENTS

25 REVENUE

Revenue of the Group and of the Company is analysed as follows:

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trading of properties	2,026,282	1,860,909	–	–
Rental and related income	455,791	397,273	–	–
Fee income	517,193	454,669	71,471	66,107
Serviced residence rental and related income	282,013	293,236	–	–
Dividend income from subsidiaries	–	–	373,356	433,435
Others	20,084	13,482	–	–
	3,301,363	3,019,569	444,827	499,542

26 PROFIT BEFORE TAXATION

Profit before taxation includes the following:

		The Group		The Company	
	Note	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Other operating income					
Interest income from:					
– fixed deposits		38,860	35,491	776	127
– subsidiaries		–	–	40,366	88,773
– associates and joint ventures		44,211	31,389	–	–
– investee companies and others		10,857	14,551	–	–
– interest capitalised in development properties for sale	11(f)	(164)	(474)	–	–
		93,764	80,957	41,142	88,900
Dividend income		606	1,428	–	–
Net fair value gains from investment properties	5	155,092	285,032	–	–
Gain on disposal/redemption of available-for-sale financial assets		1,514	21,390	–	–
Gain from change of ownership interest in subsidiaries, associates and joint ventures		174,482	218,258	–	57,963
Foreign exchange gain		–	–	–	7
Gain on disposal of investment properties		–	19,411	–	–
Gain on disposal of property, plant and equipment		41,836	969	23	72
Gain from bargain purchase arising from acquisition of subsidiaries	30(b)	4,488	26	–	–
Reversal of provision for foreseeable losses	20(a)	16,000	2,700	–	–
Reversal of impairment of intangibles	4	73	–	–	–
Reversal of impairment of subsidiaries	6(a)(iii)	–	–	2,601	–
Receipt of settlement of insurance claim		14,035	–	–	–
Others		85,059	83,533	18,341	13,683
		586,949	713,704	62,107	160,625

26 PROFIT BEFORE TAXATION (cont'd)

		The Group		The Company	
	Note	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(b) Staff costs					
Wages and salaries		484,763	437,041	40,947	39,433
Contributions to defined contribution plans		49,991	46,262	2,564	2,398
Share-based expenses					
– equity-settled		41,844	31,766	9,485	6,932
– cash-settled		4,808	2,577	427	166
Increase in liability for short term accumulating compensated absences		1,168	1,350	427	188
Staff benefits, training/development costs and others		77,957	73,253	4,453	3,835
		660,531	592,249	58,303	52,952
Less:					
Staff costs capitalised in development properties for sale	11(f)	(66,729)	(61,404)	–	–
		593,802	530,845	58,303	52,952
Recognised in:					
Cost of sales	(c)(i)	250,320	233,479	–	–
Administrative expenses	(c)(ii)	343,482	297,366	58,303	52,952
		593,802	530,845	58,303	52,952
(c)(i) Cost of sales include:					
Staff costs	(b)	250,320	233,479	–	–
Provision for foreseeable losses/Write down on development properties for sale		49,429	39,155	–	–
Operating lease expenses		81,470	88,191	–	–
Operating expenses arising from investment properties that generated rental income		110,125	94,962	–	–
Depreciation of property, plant and equipment	3	28	19	–	–
Amortisation of intangible assets		–	242	–	–

NOTES TO THE FINANCIAL STATEMENTS

26 PROFIT BEFORE TAXATION (cont'd)

		The Group		The Company	
	Note	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(c)(ii) Administrative expenses include:					
Staff costs	(b)	343,482	297,366	58,303	52,952
Allowance/(Reversal of allowance) for doubtful receivables		12,699	(3,021)	–	–
Amortisation of intangible assets		1,329	1,359	–	–
Auditors' remuneration:					
– auditors of the Company		2,515	1,961	167	208
– other auditors		3,872	4,043	–	–
Non-audit fees:					
– auditors of the Company		197	1,097	10	2
– other auditors		385	282	–	–
Depreciation of property, plant and equipment	3	45,083	38,989	5,617	3,598
Operating lease expenses		34,906	36,672	4,663	4,732
(c)(iii) Other operating expenses include:					
Allowance for doubtful receivables		10,235	3,427	33,147	130,248
Impairment of available-for-sale financial assets		6,242	1,329	–	–
Foreign exchange loss		8,654	33,240	63	–
Impairment and write off of property, plant and equipment		8,768	729	80	5
Impairment of:					
– subsidiaries		–	–	17,195	16,931
– associate	7(a)(i)	4,612	3,437	–	–
– joint ventures	8(a)(i)	422	–	–	–

26 PROFIT BEFORE TAXATION (cont'd)

		The Group		The Company	
	Note	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(d) Finance costs					
Interest costs paid and payable:					
– on bank loans and overdrafts		281,732	240,385	–	–
– on debt securities		113,195	82,803	–	–
– to non-controlling interests		6,211	5,423	–	–
Convertible bonds:					
– interest expense		105,991	105,673	105,991	105,673
– amortisation of bond discount		63,584	63,584	63,584	63,584
– accretion of bond premium		10,517	10,479	10,517	10,479
Derivative financial instruments		21,555	29,957	–	–
Others		55,663	61,769	5,238	1,311
Total borrowing costs		658,448	600,073	185,330	181,047
Less:					
Borrowing costs capitalised in:					
– property, plant and equipment	3(d)	(965)	(3,093)	–	–
– investment properties	5(d)	(52,580)	(23,470)	–	–
– development properties for sale	11(f)	(105,950)	(100,725)	–	–
		(159,495)	(127,288)	–	–
		498,953	472,785	185,330	181,047

27 TAXATION

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current tax expense				
– Based on current year's results	203,283	167,520	–	–
– Over provision in respect of prior years	(37,415)	(19,252)	–	–
– Group relief	(14,686)	(4,703)	(1,908)	(778)
	151,182	143,565	(1,908)	(778)
Deferred tax expense				
– Origination and reversal of temporary differences	47,922	47,652	(10,514)	(10,558)
– Under/(Over) provision in respect of prior years	2,803	(333)	–	–
	50,725	47,319	(10,514)	(10,558)
Total	201,907	190,884	(12,422)	(11,336)

NOTES TO THE FINANCIAL STATEMENTS

27 TAXATION (cont'd)

Reconciliation of effective tax rate

	The Group	
	2012 S'000	2011 S'000
Profit before taxation	1,518,478	1,613,804
Less: Share of results of associates and joint ventures	(834,781)	(876,646)
Profit before share of results of associates, joint ventures and taxation	683,697	737,158
Income tax using Singapore tax rate of 17% (2011: 17%)	116,228	125,317
Adjustments:		
Expenses not deductible for tax purposes	145,534	110,295
Income not subject to tax	(121,045)	(133,473)
Effect of unrecognised tax losses and other deductible temporary differences	15,908	7,531
Effect of different tax rates in foreign jurisdictions	55,167	57,520
Effect of taxable distributions from associates	30,008	34,881
Over provision in respect of prior years	(34,612)	(19,585)
Group relief	(14,686)	(4,703)
Withholding taxes	13,846	11,083
Others	(4,441)	2,018
	201,907	190,884

	The Company	
	2012 S'000	2011 S'000
Profit before taxation	156,347	239,885
Income tax using Singapore tax rate of 17% (2011: 17%)	26,579	40,780
Adjustments:		
Expenses not deductible for tax purposes	27,462	33,051
Income not subject to tax	(61,861)	(83,550)
Effect of other deductible temporary differences	(1,633)	(1,373)
Group relief	(1,908)	(778)
Others	(1,061)	534
	(12,422)	(11,336)

28 EARNINGS PER SHARE

(a) Basic earnings per share

	The Group	
	2012 S'000	2011 S'000
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	930,347	1,057,311
	2012	2011
	Number of shares ('000)	
Weighted average number of ordinary shares in issue during the year	4,249,408	4,261,359

28 EARNINGS PER SHARE (cont'd)

(b) Diluted earnings per share

In calculating diluted earnings per share, the net profit attributable to owners of the Company and weighted average number of ordinary shares in issue during the year are adjusted for the effects of all dilutive potential ordinary shares:

	The Group	
	2012 S'000	2011 S'000
Net profit attributable to owners of the Company	930,347	1,057,311
Profit impact of conversion of the potential dilutive shares	–	78,097
Adjusted net profit attributable to owners of the Company	930,347	1,135,408

	2012	2011
	Number of shares ('000)	
Weighted average number of ordinary shares used in the calculation of basic earnings per share	4,249,408	4,261,359
Adjustments for potential dilutive shares under:		
– CapitaLand Share Option Plan	916	1,408
– CapitaLand Performance Share Plan	17,548	18,538
– CapitaLand Restricted Stock/Share Plan	14,879	14,198
– convertible bonds	–	324,596
	33,343	358,740
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	4,282,751	4,620,099

29 DIVIDENDS

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 7.0 cents per share in respect of the financial year ended 31 December 2012. This would amount to a payout of approximately \$297.6 million based on the number of issued shares (excluding 19,611,437 treasury shares) as at 31 December 2012. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2011, a tax-exempt ordinary dividend of 6.0 cents per share and a tax-exempt special dividend of 2.0 cents per share were approved at the Annual General Meeting held on 30 April 2012. The said dividends of \$340.0 million were paid in May 2012.

NOTES TO THE FINANCIAL STATEMENTS

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during the year is as follows:

Name of Subsidiary	Date Acquired	Effective Interest Acquired
CapitaRetail LPM Investments Pte Ltd [#]	February 2012	48%
CapitaRetail IH Investments Pte Ltd [#]	February 2012	48%
CapitaRetail CK Investments Pte Ltd [#]	February 2012	48%
Caike Property (Shanghai) Co., Ltd [^]	March 2012	50%
ACRJ3 Pte Ltd	May 2012	70%
The Cavendish Hotel (London) Limited	October 2012	100%

[#] These were previously associates of the Group.

[^] This was previously a joint venture of the Group.

The list of significant subsidiaries acquired in 2011 is as follows:

Name of Subsidiary	Date Acquired	Effective Interest Acquired
Abbey Road Limited	February 2011	45%
SNC Costes K	June 2011	100%

(b) Effects of acquisitions

The cash flows and net assets of subsidiaries acquired are provided below:

		Recognised Values	
The Group	Note	2012 \$'000	2011 \$'000
Property, plant and equipment	3	318,372	218,835
Investment properties	5	544,416	428,255
Other non-current assets		–	835
Development properties for sale		–	10,682
Cash and cash equivalents		70,952	84,381
Other current assets		5,900	10,792
Current liabilities		(265,065)	(23,615)
Long-term bank borrowings		(72,201)	–
Shareholder's loan		(43,766)	(33,666)
Deferred tax liabilities		(33,485)	–
Other non-current liabilities		(24,442)	(789)
Non-controlling interests		(1,711)	(146,805)
		498,970	548,905
Amounts previously accounted for as associates, joint ventures and other financial assets, at fair value		(59,903)	(33,582)
Net assets acquired		439,067	515,323
Goodwill arising from acquisition	4	16,919	–
Gain from bargain purchase	26(a)	(4,488)	(26)
Assumption of shareholder's loan		43,766	33,666
Total purchase consideration		495,264	548,963
Less:			
Deferred payment and other adjustments		2,070	(16,623)
Deposits paid in prior year		–	(28,941)
Cash of subsidiaries acquired		(70,952)	(84,381)
Cash outflow on acquisition of subsidiaries		426,382	419,018

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed during the year is as follows:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
Franco Investment Limited	March 2012	100%
Growing State Holdings Limited [#]	June 2012	65%
CapitaRetail China Developments D18 (HK) Limited [#]	June 2012	65%
Hong Kong Yong Zheng Group Company Limited [^]	September 2012	100%
Citadines Ashley TST (Hong Kong) Limited	October 2012	100%

[#] These subsidiaries were sold to CapitaMalls China Development Fund III in which the Group has an effective interest of 32.7% as at 31 December 2012.

[^] This subsidiary was sold to Ascott Residence Trust in which the Group has an effective interest of 49.4% as at 31 December 2012.

The disposed subsidiaries previously contributed net profit of \$5.8 million from 1 January 2012 to the dates of disposal.

The list of significant subsidiaries disposed in 2011 is as follows:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
BR Properties Pte Ltd	May 2011	100%
Hemliner Pte Ltd*	July 2011	100%
Shanghai CapitaLand Xin Chuang Real Estate Development Co., Ltd.	December 2011	100%

* This subsidiary was sold to Ascott Serviced Residence (China) Fund in which the Group has an effective interest of 36.1% as at 31 December 2011.

The disposed subsidiaries previously contributed net profit of \$6.5 million from 1 January 2011 to the dates of disposal.

NOTES TO THE FINANCIAL STATEMENTS

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(d) Effects of disposals

The cash flows and net assets of subsidiaries disposed are provided below:

		The Group	
The Group	Note	2012 \$'000	2011 \$'000
Property, plant and equipment		137,728	232,446
Investment properties	5	249,579	239,052
Other non-current assets		88,537	–
Development properties for sale		23,387	71,683
Other current assets		44,156	56,157
Current liabilities		(186,602)	(151,009)
Long-term bank borrowings		(46,987)	(109,591)
Deferred tax liabilities		(25,340)	(11,568)
Non-controlling interests		–	(2,800)
Net assets		284,458	324,370
Less:			
Equity interests retained as associates		(191,518)	–
Net assets disposed		92,940	324,370
Realisation of reserves		6,842	4,864
Deferred income		7,451	20,410
Gain on disposal of subsidiaries		151,301	195,433
Sale consideration		258,534	545,077
Repayment of bank and shareholders' loan		147,491	234,748
Deposit received in prior year in relation to current year's disposal of a subsidiary		(48,976)	–
Deferred sale consideration received in relation to prior year's disposal of subsidiaries		–	417,476
Cash of subsidiaries disposed		(34,048)	(54,926)
Cash inflow on disposal of subsidiaries		323,001	1,142,375

31 BUSINESS COMBINATIONS

Acquisition of The Cavendish Hotel (London) Limited

On 1 October 2012, the Group acquired 100% equity interest in The Cavendish Hotel (London) Limited ("Cavendish"). Cavendish owns a property known and operated as The Cavendish London (the "Hotel") since 1966.

The acquisition is part of the Group's ongoing strategy to deepen its presence and enhance its real estate portfolio in key growth cities in Asia and Europe.

Cavendish contributed revenue of \$8.1 million and net profit of \$2.5 million to the Group's results for the period from 1 October 2012 to 31 December 2012.

If the acquisition had occurred on 1 January 2012, management estimates that the contribution from Cavendish in terms of revenue and net profit would have been \$32.2 million and \$10.2 million respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2012.

Purchase Consideration

The consideration for the acquisition was \$320.9 million, which included the assignment of shareholder's loan due from Cavendish to its previous shareholder, and was settled in cash. No contingent consideration or indemnification asset was recognised at the acquisition date. Both the Group and the acquired entities do not have a relationship before this acquisition. Therefore, there was no settlement of pre-existing relationship.

Goodwill of \$16.9 million was recognised as a result of the difference between consideration transferred and the fair value of the identifiable net assets.

Effects of cash flows of the Group

	2012 \$'000
Cash consideration paid	277,168
Assumption of shareholder's loan	43,766
Purchase consideration	320,934
Less: cash and cash equivalents in subsidiary acquired	(5,455)
Net cash outflow on acquisition	315,479

Identifiable assets acquired and liabilities assumed

	2012 \$'000
Property, plant and equipment	318,298
Cash and cash equivalents	5,455
Other current assets	3,201
Non-current liabilities	(19,313)
Current liabilities	(47,392)
Total identifiable net assets	260,249
Goodwill on acquisition	16,919
Assumption of shareholder's loan	43,766
Purchase consideration	320,934

Acquisition-related costs

Acquisition-related costs of \$1.2 million related to stamp duties, legal, tax and due diligence fees were included in administrative and other operating expenses in the consolidated income statement.

There was no significant business combination undertaken by the Group in 2011.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Group and the Company are exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as currency forwards, interest rate swaps and caps as well as foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the Risk Assessment Group ("RAG"). RAG generates a comprehensive portfolio risk report to assist the committee. This quarterly report measures a spectrum of risks, including property market risks, construction risks, interest rate risks, refinancing risks and currency risks.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on 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.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products comprise fixed deposits or short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps and caps to minimise its exposure to interest rate volatility. The Group classifies these interest rate swaps and caps as cash flow hedges. In addition, the Group also uses other derivative instruments such as callable swaps to manage the cost of funding.

The fair value loss of interest rate swaps and caps as at 31 December 2012 was \$183.0 million (2011: \$111.7 million), comprising derivative liabilities of \$183.0 million (2011: \$111.9 million) and derivative assets of nil (2011: \$0.2 million).

Sensitivity analysis

For interest rate derivative instruments used for hedging and other variable rate financial liabilities, it is estimated that an increase of 100 basis point in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and revenue reserves) by approximately \$33.0 million (2011: \$37.8 million). A decrease in 100 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

32 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Market risk (cont'd)

(ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Australian Dollars, Chinese Renminbi, Euros, Hong Kong Dollars, Japanese Yen, Sterling Pounds and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group uses forward exchange contracts to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between 3 months and 1 year which are rolled over at market rates at maturity. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency.

The net fair value gain of the forward exchange and cross currency swaps contracts as at 31 December 2012 was \$30.0 million (2011: \$7.9 million), comprising derivative assets of \$34.0 million (2011: \$31.5 million) and derivative liabilities \$4.0 million (2011: \$23.6 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's exposure to foreign currencies as at 31 December 2012 and 31 December 2011 were as follows:

	US Dollars	Australian Dollars	Chinese Renminbi	Hong Kong Dollars	Japanese Yen	Euro	Malaysian Ringgit	Others [#]	Total Foreign Currencies
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012									
Other financial assets	4,336	–	–	3,338	267,252	33	–	–	274,959
Trade and other receivables	141,518	326,328	202,244	18,930	52,552	33,195	4,404	140,191	919,362
Cash and cash equivalents	135,664	140,876	968,073	7,794	264,323	18,990	47,736	34,882	1,618,338
Borrowings	(903,690)	(2,587,113)	(499,379)	(223,860)	(1,132,141)	(61,801)	(86,323)	(123,499)	(5,617,806)
Trade and other payables	(203,715)	(287,927)	(580,726)	(15,435)	(75,557)	(47,623)	(25,186)	(62,415)	(1,298,584)
Gross currency exposure	(825,887)	(2,407,836)	90,212	(209,233)	(623,571)	(57,206)	(59,369)	(10,841)	(4,103,731)
Add/Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(71,097)	2,458,904	11,096	186,728	649,492	55,514	109,375	7,577	3,407,589
Cross currency swaps/ foreign exchange forward contracts	728,517	–	–	–	(23,405)	–	–	–	705,112
Less: Available-for-sale financial assets	(4,336)	–	–	(3,338)	(2,087)	–	–	–	(9,761)
Net currency exposure	(172,803)	51,068	101,308	(25,843)	429	(1,692)	50,006	(3,264)	(791)

[#] Others include mainly Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Market risk (cont'd)

(ii) Foreign currency risk (cont'd)

	US Dollars	Australian Dollars	Chinese Renminbi	Hong Kong Dollars	Japanese Yen	Euro	Malaysian Ringgit	Others [#]	Total Foreign Currencies
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011									
Other financial assets	4,344	–	–	3,205	321,331	–	–	–	328,880
Trade and other receivables	97,627	272,728	217,583	42,344	67,502	36,514	7,998	159,057	901,353
Cash and cash equivalents	273,863	144,473	1,232,612	8,186	18,917	15,150	62,307	43,442	1,798,950
Borrowings	(453,519)	(2,643,580)	(387,139)	(212,635)	(562,176)	(67,721)	(88,556)	(118,478)	(4,533,804)
Trade and other payables	(202,556)	(300,086)	(574,765)	(17,160)	(16,897)	(44,242)	(27,104)	(54,431)	(1,237,241)
Gross currency exposure	(280,241)	(2,526,465)	488,291	(176,060)	(171,323)	(60,299)	(45,355)	29,590	(2,741,862)
Add/Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	44,034	2,564,899	(289,809)	146,913	43,124	61,723	84,518	(34,463)	2,620,939
Cross currency swaps/foreign exchange forward contracts	174,306	(5,463)	–	–	(53,914)	–	–	–	114,929
Less: Available-for-sale financial assets	(4,344)	–	–	(3,205)	(2,465)	–	–	–	(10,014)
Net currency exposure	(66,245)	32,971	198,482	(32,352)	(184,578)	1,424	39,163	(4,873)	(16,008)

[#] Others include mainly Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

	US Dollars	Total Foreign Currencies
The Company	\$'000	\$'000
2012		
Cash and cash equivalents	130	130
Trade and other receivables	4	4
Currency exposure	134	134
2011		
Cash and cash equivalents	55	55
Trade and other receivables	4	4
Currency exposure	59	59

Sensitivity analysis

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore Dollar would not have any significant exposure to the Group's profit before tax (2011: the Group's profit before tax decreased by \$0.8 million) and increase the Group's other components of equity by approximately \$0.5 million (2011: \$0.5 million). A five percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

There was no significant exposure to foreign currencies for the Company as at 31 December 2012 and 31 December 2011.

32 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Market risk (cont'd)

(iii) Equity price risk

The Group has available-for-sale investments in equity securities and is exposed to price risk. The securities are listed in Japan.

Sensitivity analysis

If prices for equity securities listed in Japan change by 5% with all other variables including tax rate being held constant, the impact on available-for-sale reserve will be as follows:

	2012		2011	
The Group	5% increase \$'000	5% decrease \$'000	5% increase \$'000	5% decrease \$'000
Available-for-sale reserve	104	(104)	123	(123)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade receivables, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables relate mainly to the Group's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria and are of high credit standing.

The principal risk to which the Group and the Company is exposed in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts it has issued. To mitigate the risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 34.

The Group has a diversified portfolio of businesses and as at balance sheet date, there were no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint ventures.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL RISK MANAGEMENT (cont'd)

(d) Liquidity risk (cont'd)

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

	<----- Contractual cash flows ----->				
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	After 5 years
The Group	\$'000	\$'000	\$'000	\$'000	\$'000
2012					
Financial liabilities, at amortised cost					
Bank borrowings	7,382,940	7,963,958	958,430	6,625,330	380,198
Debt securities	6,796,838	8,530,756	184,909	3,411,084	4,934,763
Trade and other payables [#]	2,273,336	2,276,522	1,778,959	426,836	70,727
	16,453,114	18,771,236	2,922,298	10,463,250	5,385,688
Derivative financial liabilities, at fair value	187,087	45,276	25,794	23,788	(4,306)
	16,640,201	18,816,512	2,948,092	10,487,038	5,381,382

2011

Financial liabilities, at amortised cost					
Bank borrowings	6,531,801	7,649,276	665,250	6,866,220	117,806
Debt securities	5,658,838	7,104,747	570,780	2,821,646	3,712,321
Trade and other payables [#]	2,258,817	2,301,579	1,837,547	411,153	52,879
	14,449,456	17,055,602	3,073,577	10,099,019	3,883,006
Derivative financial liabilities, at fair value	135,522	60,265	40,151	20,153	(39)
	14,584,978	17,115,867	3,113,728	10,119,172	3,882,967

	<----- Contractual cash flows ----->				
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	After 5 years
The Company	\$'000	\$'000	\$'000	\$'000	\$'000
2012					
Financial liabilities, at amortised cost					
Debt securities	3,512,287	4,390,211	81,576	2,004,459	2,304,176
Trade and other payables [#]	51,144	51,144	51,144	–	–
	3,563,431	4,441,355	132,720	2,004,459	2,304,176
2011					
Financial liabilities, at amortised cost					
Debt securities	3,432,956	4,496,201	81,834	2,047,879	2,366,488
Trade and other payables [#]	50,613	50,613	50,613	–	–
	3,483,569	4,546,814	132,447	2,047,879	2,366,488

[#] Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

32 FINANCIAL RISK MANAGEMENT (cont'd)

(d) Liquidity risk (cont'd)

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and affect the income statement:

	<----- Contractual cash flows ----->				
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	After 5 years
The Group	\$'000	\$'000	\$'000	\$'000	\$'000
2012					
Interest rate swaps					
– (liabilities)/assets	(130,802)	(54,591)	(26,109)	(28,547)	65
Forward start interest rate swaps					
– (liabilities)/assets	(6,499)	(1,686)	–	(1,694)	8
Forward exchange contracts					
– assets	1,760	1,760	1,760	–	–
Cross currency interest rate swaps					
– (liabilities)/assets	(4,050)	14,339	1,154	6,452	6,733
	(139,591)	(40,178)	(23,195)	(23,789)	6,806

2011

Interest rate swaps					
– (liabilities)/assets	(69,243)	(31,499)	(15,320)	(16,753)	574
Forward start interest rate swaps					
– liabilities	(9,772)	(3,453)	(813)	(2,105)	(535)
Forward exchange contracts					
– liabilities	(5,242)	(5,242)	(5,242)	–	–
	(84,257)	(40,194)	(21,375)	(18,858)	39

(e) Fair values

The following methods and assumptions are used to estimate the fair values of the following significant classes of financial instruments:

(i) Derivatives

The fair value of derivative financial instruments is based on their market prices or brokers' quotes.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date. In respect of the liability component of convertible bonds, the fair value at initial recognition is determined using a market interest rate of similar liabilities that do not have a conversion option.

(iii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the balance sheet date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Fair values (cont'd)

(iv) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as at 31 December 2012. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
The Group	\$'000	\$'000	\$'000	\$'000
2012				
Available-for-sale financial assets	2,087	195,000	268,681	465,768
Derivative financial assets	–	34,092	–	34,092
	2,087	229,092	268,681	499,860
Derivative financial liabilities	–	(187,087)	–	(187,087)
	2,087	42,005	268,681	312,773
2011				
Available-for-sale financial assets	2,465	195,000	322,258	519,723
Derivative financial assets	–	31,720	–	31,720
	2,465	226,720	322,258	551,443
Derivative financial liabilities	–	(135,522)	–	(135,522)
	2,465	91,198	322,258	415,921

For the fair value measurements in Level 3, changing one or more of the assumptions to other reasonably possible alternative assumptions would not have a significant effect on the Group's financial statements.

The movements of financial assets classified under Level 3 are presented as follows:

	The Group	
The Group	Note	2012 \$'000
Balance as at 1 January		322,258
Additions		22,673
Capital distribution		(39,088)
Impairments recognised in income statement		(1,430)
Amount set off against provisions	20(a)(i)	(3,872)
Fair value gain recognised in available-for-sale financial assets		123
Disposal		–
Translations differences		(31,983)
Balance as at 31 December		268,681

32 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Fair values (cont'd)

(v) Accounting classifications and fair values

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

		Fair value – hedging instruments	Loans and receivables	Available- for-sale	Other financial liabilities within the scope of FRS 39	Total carrying amount	Fair value
The Group	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012							
Trade and other receivables	12	–	1,274,301	–	–	1,274,301	1,274,301
Cash and cash equivalents	15	–	5,497,693	–	–	5,497,693	5,497,693
Other non-current assets		27,722	390,085	284,731	–	702,538	702,538
Other current assets	10(b)	6,370	–	195,000	–	201,370	201,370
		34,092	7,162,079	479,731	–	7,675,902	7,675,902
Trade and other payables [#]		–	–	–	2,273,336	2,273,336	2,273,336
Bank borrowings	18	–	–	–	7,382,940	7,382,940	7,387,743
Debt securities	19	–	–	–	6,796,838	6,796,838	7,220,308
Derivative financial liabilities		187,087	–	–	–	187,087	187,087
		187,087	–	–	16,453,114	16,640,201	17,068,474
2011							
Trade and other receivables	12	–	1,701,523	–	–	1,701,523	1,701,523
Cash and cash equivalents	15	–	6,264,473	–	–	6,264,473	6,264,473
Other non-current assets		31,720	363,264	349,343	–	744,327	744,327
Other current assets	10(b)	–	–	195,000	–	195,000	195,000
		31,720	8,329,260	544,343	–	8,905,323	8,905,323
Trade and other payables [#]		–	–	–	2,258,817	2,258,817	2,258,817
Bank borrowings	18	–	–	–	6,531,801	6,531,801	6,531,801
Debt securities	19	–	–	–	5,658,838	5,658,838	5,608,008
Derivative financial liabilities		135,522	–	–	–	135,522	135,522
		135,522	–	–	14,449,456	14,584,978	14,534,148

[#] Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Fair values (cont'd)

(v) Accounting classifications and fair values (cont'd)

		Loans and receivables	Other financial liabilities within the scope of FRS 39	Total carrying amount	Fair value
The Company	Note	\$'000	\$'000	\$'000	\$'000
2012					
Trade and other receivables	12	2,446,792	–	2,446,792	2,446,792
Cash and cash equivalents	15	442,650	–	442,650	442,650
		2,889,442	–	2,889,442	2,889,442
Trade and other payables [#]		–	51,144	51,144	51,144
Debt securities	19	–	3,512,287	3,512,287	3,830,561
		–	3,563,431	3,563,431	3,881,705
2011					
Trade and other receivables	12	2,588,723	–	2,588,723	2,588,723
Cash and cash equivalents	15	326,539	–	326,539	326,539
		2,915,262	–	2,915,262	2,915,262
Trade and other payables [#]		–	50,613	50,613	50,613
Debt securities	19	–	3,432,956	3,432,956	3,498,891
		–	3,483,569	3,483,569	3,549,504

[#] Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

33 COMMITMENTS

As at the balance sheet date, the Group and the Company had the following commitments:

(a) Operating lease

The Group leases a number of offices, motor vehicles, office equipments and serviced apartments under operating leases. The leases have tenure ranging from one to twenty years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate. Future minimum lease payments for the Group and the Company on non-cancellable operating leases are as follows:

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Lease payments payable:				
Not later than 1 year	110,688	114,475	4,359	3,151
Between 1 and 5 years	268,985	280,770	34,275	1,353
After 5 years	70,220	94,490	88,463	33
	449,893	489,735	127,097	4,537

33 COMMITMENTS (cont'd)

(b) Commitments

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	7,106	10,132	944	768
– development expenditure contracted but not provided for in the financial statements	1,357,956	1,774,778	–	–
– capital contribution/acquisition of associates, joint ventures and investee companies	1,207,755	1,094,668	–	–
– purchase of lands/properties contracted but not provided for in the financial statements	796,344	1,148,353	–	–
– shareholders' loan committed to associates, joint ventures and investee companies	281,302	1,096,462	–	–
	3,650,463	5,124,393	944	768

(c) As at the balance sheet date, the notional principal values of financial instruments were as follows:

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Interest rate swaps	4,321,425	2,822,340	–	–
Forward start interest rate swaps	255,318	260,142	–	–
Forward foreign exchange contracts	739,386	686,536	–	–
Cross currency swaps	695,816	211,538	–	–
	6,011,945	3,980,556	–	–

(d) The maturity profile of these financial instruments were:

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Not later than 1 year	1,824,487	1,648,968	–	–
Between 1 and 5 years	2,878,879	1,690,815	–	–
After 5 years	1,308,579	640,773	–	–
	6,011,945	3,980,556	–	–

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL GUARANTEE CONTRACTS

The Group accounts for its financial guarantees as insurance contracts. There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. At balance sheet date, the Group and the Company do not consider that it is probable that a claim will be made against the Group and the Company under the financial guarantee contracts. Accordingly the Group and the Company do not expect any net cash outflows resulting from the financial guarantee contracts. The Group and the Company issue guarantees only for their subsidiaries and related parties.

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	–	–	2,525,499	2,644,542
– associates	34,764	51,313	–	–
– joint ventures	9,414	10,552	–	–
	44,178	61,865	2,525,499	2,644,542

(b) Undertakings by the Group and the Company:

- (i) A subsidiary of the Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of term loan and revolving construction facilities amounting to \$1,486.1 million (2011: \$1,486.1 million) and bankers' guarantee facility amounting to \$133.9 million (2011: \$133.9 million) granted to an associate. As at 31 December 2012, the total amount outstanding under the facilities was \$1,325.3 million (2011: \$1,286.1 million).
- (ii) A subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall on a several basis as well as a project completion undertaking on a joint and several basis, in respect of a term loan facility amounting to \$56.5 million (2011: \$105.0 million) and bankers' guarantee facility amounting to \$42.0 million (2011: \$42.0 million) granted to a joint venture. As at 31 December 2012, the amount outstanding under the facilities was \$56.5 million (2011: \$105.0 million).
- (iii) A subsidiary of the Group has provided several undertakings on cost overrun, interest shortfall, security margin and project completion on a joint and several basis, in respect of a \$890.0 million (2011: \$890.0 million) term loan facility granted to a joint venture. As at 31 December 2012, the amount outstanding under the term loan facility was \$470.0 million (2011: \$440.0 million).
- (iv) A subsidiary of the Group has provided an undertaking on security margin on a joint and several basis, in respect of term loan and revolving loan facilities amounting to \$1,618.0 million (2011: \$1,618.0 million) granted to a joint venture. As at 31 December 2012, the amount outstanding under the facilities was \$1,618.0 million (2011: \$1,618.0 million).
- (v) Certain subsidiaries of the Group in China, whose principal activities are the trading of development properties, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at 31 December 2012, the outstanding notional amount of the guarantees amounted to \$61.6 million (2011: \$64.9 million).

35 CONTINGENCIES

- (a) Pursuant to an agreement dated 13 December 2010, a subsidiary of the Group had granted an option to a third party to put a piece of freehold land used for a proposed mixed commercial development to the Group within three years from 27 December 2010 at MYR255 million upon the occurrence of certain trigger events. As at 31 December 2012, the put option has not been exercised.
- (b) Pursuant to an agreement dated 10 April 2012, a subsidiary of the Group had granted a third party an option to put a residential development to the Group within two years from 10 April 2012 at AUD77 million upon the occurrence of certain trigger events. As at 31 December 2012, the put option has not been exercised.

36 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, and the Council of CEOs comprising the President & CEO, key management officers of the corporate office and CEOs of the strategic business units, to be key management personnel in accordance with FRS 24 *Related Party Disclosures*.

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

	The Group		The Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Related Corporations				
Equity participation in a newly formed company	–	150,000	–	–
Acquisition of an associate	–	360,000	–	–
Project management fee income	2,154	742	–	–
Subsidiaries				
Management fee income	–	–	71,471	66,107
IT and administrative support services	–	–	16,681	12,332
Others	–	–	(113)	(239)
Associates and Joint Ventures				
Management fee income	339,510	301,426	–	–
Construction and project management income	78,549	51,958	–	–
Rental expense	(44,260)	(44,684)	(3,498)	(3,824)
Proceeds from sale of properties and investments	359,322	443,535	–	–
Acquisition of property and investments	179,500	79,443	–	–
Accounting service fee, acquisition fee, divestment fee, marketing income and others	81,352	77,575	(266)	(256)

NOTES TO THE FINANCIAL STATEMENTS

36 SIGNIFICANT RELATED PARTY TRANSACTIONS *(cont'd)*

	The Group		The Company	
	2012 S'000	2011 S'000	2012 S'000	2011 S'000
Key Management Personnel				
Subscription of bonds issued by a subsidiary	430	3,000	–	–
Interest paid/payable by the Company and its subsidiaries	390	325	155	111
Professional fees paid/payable to a director and a firm in which a director is a member	–	7	–	–
Sale of residential properties by the subsidiaries	3,680	1,178	–	–
Remuneration of Key Management Personnel				
Salary, bonus and other benefits	20,868	23,041	10,369	11,650
Employer's contributions to defined contribution plans	136	107	60	45
Equity compensation benefits	9,146	6,961	4,835	3,643
	30,150	30,109	15,264	15,338

37 SUBSIDIARIES

(a) The significant subsidiaries directly held by the Company which are incorporated and conducting business in the Republic of Singapore are as set out below:

Name of Company	Percentage held by the Company	
	2012 %	2011 %
CapitaLand Commercial Limited	100	100
CapitaLand Financial Limited	100	100
CapitaLand GCC Holdings Pte Ltd	100	100
CapitaLand ILEC Pte Ltd	100	100
CapitaLand Malaysia Pte Ltd	100 [#]	–
CapitaLand Residential Limited	100	100
CapitaLand Treasury Limited	100	100
CapitaMalls Asia Limited	65.4	65.5
CapitaValue Homes Limited	100	100
CL Pinnacle Pte Ltd	100	100
The Ascott Limited	100	100

[#] Transferred from CapitaLand Commercial Limited.

37 SUBSIDIARIES *(cont'd)*

(b) Other significant subsidiaries in the Group are as follows:

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(i) Directly or indirectly held by CapitaLand Residential Limited:				
Ankerite Pte Ltd	Singapore	60.0	60.0	
Ausprop Holdings Limited	Singapore	100	100	
Australand	Australia	59.3	59.3	
Austvale Holdings Ltd	Singapore	100	100	
CapitaLand China Holdings Pte Ltd	Singapore	100	100	
CapitaLand Residential Singapore Pte Ltd	Singapore	100	100	
CRL Realty Pte Ltd	Singapore	100	100	
Jubilee Realty Pte Ltd	Singapore	100	100	
Leonie Court Pte Ltd	Singapore	100	100	
Phoenix Realty Pte Ltd	Singapore	100	100	
(ii) Directly or indirectly held by CapitaLand China Holdings Pte Ltd:				
¹ Caike Property (Shanghai) Co., Ltd	The People's Republic of China	100	50.0	
¹ CapitaLand (China) Investment Co., Ltd	The People's Republic of China	100	100	
¹ CapitaLand Management (China) Co., Ltd	The People's Republic of China	100	100	
¹ CapitaLand XinYe (Hangzhou) Real Estate Development Co., Ltd	The People's Republic of China	100	100	
¹ Dongjin Real Estate Development (Tian Jin) Co., Ltd	The People's Republic of China	100	100	
¹ Foshan Xin Fo Chen Real Estate Development Co., Ltd	The People's Republic of China	100	100	
Knowsley Pte Ltd	Singapore	100	100	
¹ Longtex Investment Limited	Hong Kong	100	100	
³ Shenzhen Municipal Golden Dragon Property Development Limited	The People's Republic of China	73.0	73.0	

NOTES TO THE FINANCIAL STATEMENTS

37 SUBSIDIARIES (cont'd)

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(iii) Directly or indirectly held by CapitaLand Commercial Limited:				
CapitaLand Malaysia Pte Ltd	Malaysia	— [#]	100	
CapitaLand (Office) Investments Pte Ltd	Singapore	100	100	
E-Pavilion Pte Ltd	Singapore	100	100	
SBR Private Limited	Singapore	100	100	
Wan Tien Realty (Pte) Ltd	Singapore	100	100	
[#] Transferred to CapitaLand Limited.				
(iv) Directly or indirectly held by The Ascott Limited:				
Ascott Residence Trust Management Limited	Singapore	100	100	
Ascott Singapore Raffles Place Pte Ltd	Singapore	100	100	
CH Residential Pte Ltd	Singapore	100 [#]	—	
Citadines Ashley TST (Singapore) Pte Ltd	Singapore	100	100	
¹ Citadines Melbourne on Bourke Pty Ltd	Australia	100	100	
LC (Kumpulan Malaysia) Pte Ltd	Singapore	100	100	
Liang Court (Malaysia) Sdn Bhd	Malaysia	100	100	
The Ascott Capital Pte Ltd	Singapore	100	100	
The Ascott Holdings Limited	Singapore	100	100	
The Cavendish Hotel (London) Limited	United Kingdom	100	—	
Somerset Capital Pte Ltd	Singapore	100	100	

[#] Includes 50% interest directly held through CapitaLand Residential Singapore Pte Ltd.

37 SUBSIDIARIES (cont'd)

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(v) Indirectly held by CapitaValue Homes Limited:				
CapitaLand (Vietnam) Holdings Pte Ltd	Singapore	100	100	
¹ CapitaLand-Vista Joint Venture Co., Ltd	Vietnam	80.0	80.0	
¹ CapitaLand-Hoang Thanh Company Limited	Vietnam	70.0	70.0	
¹ CapitaLand Real Estate Management (Vietnam) Ltd	Vietnam	100	100	
¹ Guangzhou Kaiyao Real Estate Co., Ltd	The People's Republic of China	58.6	100	
¹ Shanghai Kaihui Real Estate Co., Ltd	The People's Republic of China	55.7	—	
¹ Wuhan Kaihui Real Estate Co., Ltd	The People's Republic of China	100	100	
(vi) Directly or indirectly held by CapitaLand Financial Limited:				
CapitaLand China Development Fund Management Private Limited	Singapore	100	100	
CapitaCommercial Trust Management Limited	Singapore	100	100	
CapitaLand Fund Management (Asia) Pte Ltd (formerly known as RCCF Management Pte Ltd)	Singapore	100	100	
Precinct Australia Pte Ltd	Singapore	100	100	

NOTES TO THE FINANCIAL STATEMENTS

37 SUBSIDIARIES (cont'd)

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(vii) Directly or indirectly held by CapitaMalls Asia Limited:				
CapitaLand Retail China Pte Ltd	Singapore	65.4	65.5	
CapitaLand Retail (MY) Pte Ltd	Singapore	65.4	65.5	
CapitaLand Retail Singapore Investments Pte Ltd	Singapore	65.4	65.5	
CapitaLand Retail Hong Kong Investments Two (BV) Limited	British Virgin Islands	65.4	65.5	
CapitaMall Trust Management Limited	Singapore	65.4	65.5	
CapitaRetail China Investments Pte Ltd	Singapore	65.4	65.5	
CMA Japan Holdings Pte Ltd	Singapore	65.4	65.5	
Pyramex Investments Pte Ltd	Singapore	65.4	65.5	
¹ Shanghai Yongwei Real Estate Co., Ltd	The People’s Republic of China	43.2	43.2	
(viii) Directly or indirectly held by Australand:				
² Australand Finance Limited	Australia	59.3	59.3	
² Australand Funds Management Limited	Australia	59.3	59.3	
² Australand HK Company Limited	Hong Kong	59.3	59.3	
² Australand Investments Limited	Australia	59.3	59.3	
² Australand Property Group Pty Limited	Australia	59.3	59.3	
² Australand Property Trust	Australia	59.3	59.3	
² Australand Property Limited	Australia	59.3	59.3	
² Australand Property Trust No.4	Australia	59.3	59.3	
² Australand Property Trust No.5	Australia	59.3	59.3	

37 SUBSIDIARIES (cont'd)

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(ix) Directly held by CapitaLand ILEC Pte Ltd:				
CapitaLand ILEC One Pte Ltd	Singapore	100	100	
Kestrel Pte Ltd	Singapore	100	100	
(x) Directly held by CapitaLand GCC Holdings Pte Ltd:				
¹ CapitaLand Bahrain Bay Business Services WLL	Bahrain	100	100	
CapitaLand GCC (Abu Dhabi) Pte Ltd	Singapore	100	100	
CapitaLand GCC (Bahrain) Pte Ltd	Singapore	100	100	

Notes:

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

² Audited by PricewaterhouseCoopers and its associated firms.

³ Audited by Shenzhen Yida Certified Public Accountants.

⁴ Audited by Beijing Zhong Jing Heng Tai Certified Public Accountants.

38 ASSOCIATES

Details of significant associates are as follows:

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(i) Directly held by CL Pinnacle Pte Ltd:				
Surbana Corporation Pte Ltd	Singapore	40.0	40.0	
(ii) Indirectly held by CapitaLand China Holdings Pte Ltd:				
CapitaLand China Development Fund Pte Ltd	Singapore	37.5	37.5	
¹ Central China Real Estate Ltd	Cayman Islands	27.1	27.1	
² Lai Fung Holdings Limited	Cayman Islands	20.0	20.0	
Raffles City China Fund Ltd	Cayman Islands	45.4^	45.3^	

[^] Includes 9.8% interest indirectly held through CapitaMalls Asia Limited.

NOTES TO THE FINANCIAL STATEMENTS

38 ASSOCIATES (cont'd)

Details of significant associates are as follows:

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(iii) Indirectly held by CapitaLand Commercial Limited:				
CapitaCommercial Trust	Singapore	32.3 [#]	32.0 [#]	
³ DBS China Square Limited	Singapore	30.0	30.0	
[#] Includes 3.2% and 2.9% interests indirectly held through CapitaLand Financial Limited as at end-2012 and end-2011 respectively.				
(iv) Directly and indirectly held by The Ascott Limited:				
Ascott Residence Trust	Singapore	49.4	48.8	
Ascott Serviced Residence (China) Fund	Cayman Islands	36.1	36.1	
(v) Indirectly held by CapitaMalls Asia Limited:				
CapitaMall Trust ⁺	Singapore	18.0	18.7	
¹ CapitaMalls Malaysia Trust	Malaysia	23.5	23.4	
CapitaMalls Japan Fund Private Limited ⁺	Singapore	17.2	17.2	
CapitaMalls China Income Fund	Singapore	29.4	29.5	
CapitaMalls China Development Fund II	Singapore	29.4	29.5	
CapitaMalls China Development Fund III	Singapore	32.7	–	
CapitaMalls China Incubator Fund ⁺	Singapore	19.6	19.6	
CapitaMalls India Development Fund	Singapore	29.8	29.8	
CapitaRetail China Trust ⁺	Singapore	16.4	17.7	

⁺ Considered to be an associate as the Group has significant influence over the financial and operating policy decisions of the investee through its subsidiary CapitaMalls Asia Limited.

(vi) Indirectly held by CapitaLand GCC Holdings Pte Ltd:

¹ Raffles City Bahrain Fund Ltd	Cayman Islands	40.9	40.9
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Notes:

All significant associates are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

² Audited by Ernst & Young and its associated firms.

³ Audited by PricewaterhouseCoopers and its associated firms.

39 JOINT VENTURES

Details of significant joint ventures are as follows:

			Effective Interest held by the Group	
Name of Company	Place of Incorporation	2012 %	2011 %	
(i) Directly or indirectly held by CapitaLand China Holdings Pte Ltd:				
² Beautiwin Limited	Hong Kong	50.0	50.0	
CTM Property Trust	Singapore	51.7 [#]	51.7 [#]	
[#] Includes 20.5% interest indirectly held through CapitaMalls Asia Limited.				
(ii) Directly held by CapitaValue Homes Limited:				
Vietnam Joint Venture Company Limited	Cayman Islands	50.0	50.0	
(iii) Indirectly held by CapitaMalls Asia Limited:				
Orchard Turn Holding Pte Ltd	Singapore	32.7	32.8	
¹ Suzhou Jinghui Properties Co	The People's Republic of China	32.7	—	
(iv) Indirectly held by CapitaLand GCC Holdings Pte Ltd:				
¹ Mubadala CapitaLand Real Estate LLC	United Arab Emirates	49.0	49.0	

Notes:

All significant joint ventures are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

² Audited by Ernst & Young and its associated firms.

40 OPERATING SEGMENTS

Management determines the operating segments based on the reports reviewed and used by the Council of CEOs for strategic decisions making and resources allocation. For management purposes, the Group is organised into strategic business units based on their products, services and geography.

The Group's reportable operating segments are as follows:

- (i) CapitaLand Residential Singapore – develops residential properties in Singapore for sale and covers a wide spectrum of the residential market in Singapore.
- (ii) CapitaLand China Holdings – involves in the residential, commercial and integrated property development in China.
- (iii) CapitaLand Commercial – owner/manager of commercial and industrial properties in Singapore, Malaysia and United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS

40 OPERATING SEGMENTS *(cont'd)*

(iv) Ascott – an international serviced residence owner-operator with operations in key cities of Asia Pacific, Europe and the Gulf region. It operates three brands, namely Ascott, Somerset and Citadines.

(v) CapitaLand Financial – involves in real estate fund management and financial advisory services.

(vi) CapitaValue Homes – develops value housing projects in China and Vietnam.

(vii) CapitaMalls Asia – shopping mall owner/manager with portfolio in Singapore, China, India, Japan and Malaysia.

(viii) Australand – a major diversified property group with activities in residential, commercial and industrial developments and investment properties across Australia.

(ix) Others – includes Corporate Office, Group Treasury and Surbana.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax (“EBIT”). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm’s length basis.

Geographically, management reviews the performance of the businesses in Singapore, China, Other Asia, Australia and Europe. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current assets and total assets are based on the geographical location of the assets.

On 3 January 2013, CapitaLand announced that it will realign and simplify the Group’s organisational structure to sharpen its focus on key markets and further accelerate its growth potential.

The Group will be realigned into four main businesses – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia (CMA) and The Ascott Limited (Ascott). Under the simplified organisational structure, the Group’s businesses in Singapore and China excluding that of CMA and Ascott, will be consolidated into CapitaLand Singapore and CapitaLand China respectively. CMA and Ascott will be the other two main business units and they will operate across geographies that CapitaLand is in.

40 OPERATING SEGMENTS *(cont'd)*

Operating Segments – 31 December 2012

	CapitaLand Residential Singapore	CapitaLand China Holdings	CapitaLand Commercial	Ascott	CapitaValue Homes	CapitaLand Financial	CapitaMalls Asia	Australand	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
External revenue	852,413	396,516	81,674	374,186	2,709	110,544	351,346	1,131,656	319	–	3,301,363
Inter-segment revenue	1,927	7,561	4,865	7,500	1,190	3,581	2,306	–	249,186	(278,116)	–
Total Revenue	854,340	404,077	86,539	381,686	3,899	114,125	353,652	1,131,656	249,505	(278,116)	3,301,363
Segmental Results											
Company and subsidiaries	330,048	137,555	49,212	90,917	(62,026)	67,584	266,847	333,070	314,739	(345,296)	1,182,650
Associates	(11,452)	164,484	126,886	72,185	–	239	298,047	9,546	9,471	29,791	699,197
Joint ventures	9,557	20,770	(1,906)	55	(18,872)	6	111,273	14,701	–	–	135,584
Earnings Before Interest and Taxation	328,153	322,809	174,192	163,157	(80,898)	67,829	676,167	357,317	324,210	(315,505)	2,017,431
Finance costs											(498,953)
Taxation											(201,907)
Profit for the year											1,316,571
Segment Assets	3,469,018	7,186,880	2,767,228	3,328,614	655,640	323,449	10,774,145	5,085,365	11,058,693	(6,861,423)	37,787,609
Segment Liabilities	1,363,028	2,124,291	392,532	1,161,922	281,806	56,233	4,144,328	2,167,144	6,652,541	–	18,343,825
Other segment items:											
Interest income	10,624	12,276	8,406	9,876	916	140	26,930	5,342	19,254	–	93,764
Depreciation and amortisation	(612)	(2,893)	(1,141)	(18,899)	(894)	(168)	(8,110)	(5,919)	(7,804)	–	(46,440)
(Provision made)/ Reversal of provision for foreseeable losses	–	(5,000)	16,000	–	(34,166)	–	–	–	(10,263)	–	(33,429)
(Allowance for)/ Reversal of impairment losses for assets	(4)	(143)	2,066	(11,971)	(29)	–	(384)	–	(26,701)	17,195	(19,971)
Fair value gains/(losses) on investment properties	–	6,950	(2,188)	(977)	–	–	84,830	66,477	–	–	155,092
Share-based expenses	(2,914)	(4,714)	(3,602)	(4,652)	(1,998)	(2,607)	(14,504)	(1,282)	(10,379)	–	(46,652)
Gains on disposal of investments	1	33,717	6,805	81,201	11	1,534	92,846	–	1,717	–	217,832
Associates	248,251	2,117,827	1,538,713	1,128,968	(364)	163,151	3,673,245	121,327	392,653	308,526	9,692,297
Joint ventures	142,528	325,806	66,226	3,401	46,214	140	1,977,658	254,795	2,217	–	2,818,985
Capital expenditure[#]	67,458	21,927	73,660	64,776	3,649	15	561,366	249,533	8,028	–	1,050,412

[#] Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

40 OPERATING SEGMENTS *(cont'd)* Operating Segments – 31 December 2011

	CapitalLand Residential Singapore	CapitalLand China Holdings	CapitalLand Commercial	Ascott	CapitaValue Homes	CapitalLand Financial	CapitaMalls Asia	Australand	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
External revenue	773,955	521,993	92,799	369,271	79,827	101,997	243,325	836,383	19	–	3,019,569
Inter-segment revenue	129	4,647	3,934	8,179	491	1,305	2,848	–	247,317	(268,850)	–
Total Revenue	774,084	526,640	96,733	377,450	80,318	103,302	246,173	836,383	247,336	(268,850)	3,019,569
Segmental Results											
Company and subsidiaries	301,317	251,576	34,517	41,725	(11,076)	75,947	241,196	284,834	276,162	(286,255)	1,209,943
Associates	2,026	157,327	160,610	107,228	–	4,073	195,382	5,320	(6,463)	25,691	651,194
Joint ventures	24,077	14,777	(5,562)	(559)	(1,794)	20	160,446	34,047	–	–	225,452
Earnings Before Interest and Taxation	327,420	423,680	189,565	148,394	(12,870)	80,040	597,024	324,201	269,699	(260,564)	2,086,589
Finance costs											(472,785)
Taxation											(190,884)
Profit for the year											1,422,920
Segment Assets	3,056,600	6,983,939	2,771,082	3,345,704	511,065	239,065	8,901,607	5,140,846	11,272,463	(6,902,930)	35,319,441
Segment Liabilities	1,370,212	1,966,926	351,587	1,205,106	232,713	49,137	2,500,260	2,190,666	6,213,363	–	16,079,970
Other segment items:											
Interest income	13,462	14,966	1,447	11,200	1,484	139	18,891	5,500	13,868	–	80,957
Depreciation and amortisation	(510)	(6,408)	(1,285)	(14,997)	(437)	(220)	(7,067)	(4,370)	(5,315)	–	(40,609)
Reversal of provision/ (Provision made) for foreseeable losses	–	–	2,700	–	–	–	–	(39,155)	–	–	(36,455)
Impairment losses for assets	(4)	(326)	(4,774)	–	(56)	–	(278)	–	(57)	–	(5,495)
Fair value (losses)/gains on investment properties	–	(2,927)	6,915	232	–	–	200,934	79,878	–	–	285,032
Share-based expenses	(1,553)	(3,495)	(3,035)	(4,281)	(916)	(1,437)	(8,343)	(2,971)	(8,312)	–	(34,343)
Gains/(Losses) on disposal of investments	–	169,511	21,766	36,853	6	20,322	14,793	–	(3,223)	–	260,028
Associates	259,672	2,056,740	1,532,978	1,152,984	(364)	135,535	3,397,889	83,742	402,696	268,865	9,290,737
Joint ventures	135,971	115,476	73,900	4,125	59,271	1,341	728,544	273,387	2,248	–	1,394,263
Capital expenditure[#]	246,962	33,476	205,199	41,698	1,086	233	1,500,931	226,165	22,020	–	2,277,770

[#] Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

40 OPERATING SEGMENTS *(cont'd)* Geographic Information

	Singapore	China ⁺	Other Asia [#]	Australia	Europe	Others [@]	Total
2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	1,169,706	587,933	139,896	1,182,289	196,687	24,852	3,301,363
Non-current assets[^]	7,497,499	8,049,872	2,179,149	3,685,159	794,713	–	22,206,392
Total assets	14,631,134	13,391,858	3,242,914	5,444,832	1,076,871	–	37,787,609
2011							
External revenue	1,074,765	665,599	156,354	890,213	200,508	32,130	3,019,569
Non-current assets[^]	6,821,378	6,520,896	1,674,865	3,526,515	750,190	–	19,293,844
Total assets	14,275,555	12,021,215	2,715,061	5,461,780	845,830	–	35,319,441

⁺ China includes Hong Kong and Macau.

[#] Other Asia includes Indonesia, Japan, Malaysia, Philippines, Thailand, Korea, India, Vietnam and Gulf Cooperation Council countries.

[@] Others includes the Cayman Islands.

[^] Non-current assets comprised property, plant and equipment, intangible assets, investment properties and associates and joint ventures.

41 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2013, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations are set out below.

Applicable for the Group's 2013 financial statements

- FRS 19 *Employee Benefits* (revised 2011) amended the definition of short term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits.

The Group currently has a bonus plan based on Economic Value Added (EVA) that was awarded to its key executives. The EVA bonus accrued during the financial year is credited into the bonus account and one-third of the balance in the bonus account will be paid out annually. As at 31 December 2012, the bonus payable is measured on an undiscounted basis.

Upon adoption of this standard, the Group will need to measure the bonus payable after one year at the present value of the amount payable.

These amendments will be applied retrospectively and prior periods in the Group's 2013 financial statements will be restated. The Group does not expect any significant financial impact on its financial position or performance from the adoption of the revised FRS 19.

NOTES TO THE FINANCIAL STATEMENTS

41 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (cont'd)

Applicable for the Group's 2013 financial statements (cont'd)

- FRS 113 *Fair Value Measurement*, which replaces the existing guidance on fair value measurement in different FRSs with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

The adoption of this standard will require the Group to re-assess the bases used for determining the fair values computed for both measurement and disclosures purposes and would result in more extensive disclosures on fair value measurements.

In accordance with the transitional provisions, the Group will apply FRS 113 prospectively as of 1 January 2013. On initial application of the standard, the Group does not expect substantial changes to the bases used for determining fair values.

Applicable for the Group's 2014 financial statements

- Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, which clarifies the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The Group currently offsets receivables and payables due from/to the same counterparty if the Group has the legal right to set off the amounts when it is due and payable based on the contractual terms of the arrangement with the counterparty, and the Group intends to settle the amounts on a net basis. Based on the local laws and regulations in certain jurisdictions in which the counterparties are located, the set-off rights are set aside in the event of bankruptcy of the counterparties.

The amendments will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. On adoption of the amendments, the Group will have to present the respective receivables and payables on a gross basis as the right to set-off is not enforceable in the event of bankruptcy of the counterparty.

- FRS 110 *Consolidated Financial Statements*, which changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. FRS 110 introduces a single control model with a series of indicators to assess control. FRS 110 also adds additional context, explanation and application guidance based on the principle of control.

The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment as at 31 December 2012, the Group has control over an associated company by virtue of the aggregate economic interests derived from the entity.

This standard will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. While the Group is continuing to evaluate the application of this standard, based on FY2012 financial information, the estimated effect of the application of FRS 110 is a decrease in equity attributable to owners of the Company of \$573.8 million, an increase in non-controlling interests of \$713.8 million and a decrease in profit for 2012 of \$141.0 million.

41 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (cont'd)

Applicable for the Group's 2014 financial statements (cont'd)

- FRS 111 *Joint Arrangements*, which 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.

As the Group is currently applying the equity method of accounting for its joint ventures, there will be no impact to the Group's profit or net assets when the Group adopts FRS 111 in 2014.

- FRS 112 *Disclosure of Interests in Other Entities*, which sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

As FRS 112 is primarily a disclosure standard, there will be no financial impact on the results and financial position of the Group and the Company upon adoption of this standard by the Group in 2014.

ECONOMIC VALUE ADDED STATEMENTS

	Note	2012 S\$ million	2011 S\$ million
Net Operating Profit Before Tax		683.7	737.2
Adjust for:			
Share of results of associates and joint ventures		834.8	876.6
Interest expense		513.4	490.3
Others		55.8	71.3
Adjusted Profit Before Interest and Tax		2,087.7	2,175.4
Cash operating taxes	1	(233.1)	(219.8)
Net Operating Profit After Tax (NOPAT)		1,854.6	1,955.6
Average capital employed	2	31,299.8	27,713.7
Weighted average cost of capital (%)	3	5.6	5.6
Capital Charge (CC)		1,752.8	1,552.0
Economic Value Added (EVA) [NOPAT – CC]		101.8	403.6
Non-controlling interests		(84.0)	(99.3)
Group EVA attributable to owners of the Company		17.8	304.3

Note 1: The reported current tax is adjusted for the statutory tax impact of interest expense.

Note 2: Monthly average capital employed included equity, interest-bearing liabilities, timing provision, cumulative goodwill and present value of operating leases.

Major Capital Components	S\$ million
Borrowings	13,587.1
Equity	16,924.1
Others	788.6
Total	31,299.8

Note 3: The weighted average cost of capital is calculated as follows:

- i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 5.0% (2011: 5.0%) per annum;
- ii) Risk-free rate of 1.67% (2011: 2.39%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;
- iii) Ungeared beta ranging from 0.64 to 0.97 (2011: 0.50 to 0.90) based on the risk categorisation of CapitaLand’s strategic business units; and
- iv) Cost of Debt rate at 3.30% (2011: 3.57%) per annum using 5-year Singapore Dollar Swap Offer rate plus 200 basis points (2011: 175 basis points).

VALUE ADDED STATEMENTS

	2012 S\$ million	2011 S\$ million
Value Added From:		
Revenue earned	3,301.4	3,019.6
Less: Bought in materials and services	(1,886.6)	(1,775.9)
Gross Value Added	1,414.8	1,243.7
Share of results of associates and joint ventures	834.8	876.6
Exchange losses (net)	(8.7)	(33.2)
Other operating income (net)	445.9	623.0
	1,272.0	1,466.4
Total Value Added	2,686.8	2,710.1
Distribution:		
To employees in wages, salaries and benefits	589.4	526.1
To government in taxes and levies	263.0	261.9
To providers of capital in:		
– Net interest on borrowings	462.5	458.2
– Dividends to shareholders	340.0	256.2
	1,654.9	1,502.4
Balance Retained in the Business:		
Depreciation and amortisation	46.5	40.6
Revenue reserves net of dividends to owners of the Company	590.3	801.1
Non-controlling interests	386.2	365.6
	1,023.0	1,207.3
Non-Production Costs/(Income):		
Allowance for doubtful receivables	22.9	0.4
Receipt of settlement of insurance claims	(14.0)	–
Total Distribution	2,686.8	2,710.1
Productivity Analysis:		
Value added per employee (S\$'000) [#]	194	167
Value added per dollar of employment cost (S\$)	2.40	2.36
Value added per dollar sales (S\$)	0.43	0.41

[#] Based on average 2012 headcount of 7,284 (2011: 7,447).

SUPPLEMENTAL INFORMATION

1 DISCLOSURE OF DIRECTORS’ INTERESTS PURSUANT TO SGX-ST LISTING RULE 1207(7)

Pursuant to Rule 1207(7) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Mr Lim Ming Yan who was appointed as director of the Company on 1 January 2013 had interests in the shares and convertible securities of the Company as at 21 January 2013 as follow:

		Interests as at 21 January 2013
Ordinary shares		1,200,923
Contingent award of Performance shares ¹ to be delivered after 2012	(152,437 shares)	0 to 304,874 ³
Contingent award of Performance shares ¹ to be delivered after 2013	(143,700 shares)	0 to 287,400 ³
Contingent award of Performance shares ¹ to be delivered after 2014	(144,000 shares)	0 to 252,000 ³
Unvested Restricted shares ² to be delivered after 2010		33,156 ⁵
Unvested Restricted shares ² to be delivered after 2011		50,396 ⁶
Contingent award of Restricted shares ² to be delivered after 2012	(110,000 shares)	0 to 165,000 ⁴
\$1.3 billion convertible bonds 3.125% due 2018 (Aggregate principal amount of bonds which remains outstanding is \$1.05 billion)		\$500,000
\$1.2 billion convertible bonds 2.875% due 2016		\$1,000,000

Mr Stephen Lee Ching Yen who was also appointed as director of the Company on 1 January 2013 had no interests in the shares and convertible securities of the Company as at 21 January 2013.

Footnotes:

- ¹ Performance shares are shares under awards pursuant to the CapitaLand Performance Share Plan 2000 and CapitaLand Performance Share Plan 2010 (collectively referred to as “CapitaLand Performance Share Plan”).
- ² Restricted shares are shares under awards pursuant to the CapitaLand Restricted Stock Plan 2000 and CapitaLand Restricted Share Plan 2010 (collectively referred to as “CapitaLand Restricted Stock/Share Plan”).
- ³ The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.
- ⁴ The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award.
- ⁵ Being the unvested one-third of the award.
- ⁶ Being the unvested two-thirds of the award.

2 INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

The Group	2012 \$'000
Transactions with Temasek Holdings (Private) Limited and its associates:	
Sale of goods and services	197,136
Purchase of goods and services	18,198
Transaction with Singapore Airlines Limited:	
Purchase of goods and services	199
Transactions with Starhub Limited and its associate:	
Purchase of goods and services	282
Transactions with directors and their associates:	
Sale of a residential unit	3,680
Appointment of a former director as senior advisor to the Board of Directors of the Company	120

3 APPOINTMENT OF AUDITORS

The Company confirms that it has complied with Rules 712 and 715 or 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to its auditing firms.

SHAREHOLDING STATISTICS

As at 28 February 2013

SHARE CAPITAL

Paid-up Capital	S\$6,346,142,745.81
Number of Issued and Paid-up Shares (including Treasury Shares)	4,270,735,848
Number of Treasury Shares	19,611,437
Number of Issued and Paid-up Shares (excluding Treasury Shares)	4,251,124,411
Class of Shares	Ordinary Shares
Voting Rights	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

TWENTY LARGEST SHAREHOLDERS

As shown in the Register of Members and Depository Register

Name	No. of shares	% ⁽¹⁾
1 Temasek Holdings (Private) Limited	1,680,704,140	39.54
2 Citibank Nominees Singapore Pte Ltd	638,022,082	15.01
3 DBS Nominees Pte Ltd	479,090,878	11.27
4 DBSN Services Pte Ltd	302,759,094	7.12
5 HSBC (Singapore) Nominees Pte Ltd	232,798,495	5.48
6 United Overseas Bank Nominees Pte Ltd	144,167,515	3.39
7 Raffles Nominees (Pte) Ltd	73,855,974	1.74
8 BNP Paribas Securities Services Singapore Branch	30,786,507	0.72
9 Morgan Stanley Asia (Singapore) Securities Pte Ltd	24,391,326	0.57
10 Merrill Lynch (Singapore) Pte Ltd	23,019,609	0.54
11 Bank of Singapore Nominees Pte Ltd	20,767,467	0.49
12 Pei Hwa Foundation Limited	11,727,335	0.28
13 OCBC Nominees Singapore Private Limited	11,333,799	0.27
14 DB Nominees (S) Pte Ltd	11,212,716	0.26
15 OCBC Securities Private Ltd	10,772,305	0.25
16 BNP Paribas Nominees Singapore Pte Ltd	10,482,239	0.25
17 Lee Pineapple Company Pte Ltd	10,000,000	0.23
18 Phillip Securities Pte Ltd	9,373,042	0.22
19 UOB Kay Hian Pte Ltd	6,906,953	0.16
20 DBS Vickers Securities (S) Pte Ltd	4,705,603	0.11
Total	3,736,877,079	87.90

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 28 February 2013

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Temasek Holdings (Private) Limited	1,680,704,140	39.53	59,333,134 ⁽²⁾	1.40

SIZE OF HOLDINGS

Size of Shareholdings	No. of shareholders	%	No. of shares excluding treasury shares	% ⁽¹⁾
1 – 999	987	1.80	340,039	0.01
1,000 – 10,000	44,784	81.78	174,382,741	4.10
10,001 – 1,000,000	8,950	16.35	306,668,135	7.21
1,000,001 and above	39	0.07	3,769,733,496	88.68
Total	54,760	100.00	4,251,124,411	100.00

Approximately 58.97%⁽¹⁾ of the issued ordinary shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

Notes:

⁽¹⁾ Percentage is calculated based on the total number of 4,251,124,411 issued shares, excluding treasury shares.

⁽²⁾ Temasek Holdings (Private) Limited is deemed to have an interest in 59,333,134 ordinary shares in which its subsidiary and associated companies have or are deemed to have an interest.

CAPITALAND LIMITED

(Company Registration No. 198900036N) (Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at The Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Friday, 26 April 2013 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

- To receive and adopt the Directors’ Report and Audited Financial Statements for the year ended 31 December 2012 and the Auditors’ Report thereon.
- To declare a first and final 1-tier dividend of S\$0.07 per share for the year ended 31 December 2012.
- To approve Directors’ fees of S\$2,032,059 for the year ended 31 December 2012 comprising:
 - S\$1,474,641.30 to be paid in cash (2011: S\$1,519,548.30); and
 - S\$557,417.70 to be paid in the form of share awards under the CapitaLand Restricted Share Plan 2010, with any residual balance to be paid in cash (2011: S\$400,052.70).
- To re-elect the following Directors, who are retiring by rotation pursuant to Article 95 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:
 - Mr Ng Kee Choe
 - Mr Peter Seah Lim Huat
- To re-elect the following Directors, who are retiring pursuant to Article 101 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:
 - Tan Sri Amirsham Bin A Aziz
 - Mr Stephen Lee Ching Yen
 - Mr Lim Ming Yan
- To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without any modification, the following resolutions as Ordinary Resolutions:
 - That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to:
 - (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 - (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS (*cont'd*)

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7B That the Directors of the Company be and are hereby authorised to:

- (a) grant awards in accordance with the provisions of the CapitaLand Performance Share Plan 2010 (the "Performance Share Plan") and/or the CapitaLand Restricted Share Plan 2010 (the "Restricted Share Plan"); and
- (b) allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Share Plan,

provided that the aggregate number of shares to be issued, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered pursuant to the Performance Share Plan, the Restricted Share Plan and all shares, options or awards granted under any other share schemes of the Company then in force, shall not exceed eight per cent. (8%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

By Order of the Board

LOW SAI CHOY
COMPANY SECRETARY

Singapore
22 March 2013

NOTES:

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 not less than 48 hours before the time appointed for holding the Annual General Meeting.

Additional information relating to the Notice of Annual General Meeting:

- 1 In relation to item 3 under the heading "As Ordinary Business", the total compensation of the non-executive Directors for 2012 of an aggregate amount of S\$2,032,059, if approved, will be paid as to S\$1,474,641.30 in cash, and S\$557,417.70 in the form of share awards under the CapitaLand Restricted Share Plan 2010. Consequently, and in accordance with the "Directors' Fee Policy", a non-executive Director who served on the Board during 2012 (with the exception of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning, who retired from the Board during 2012) will be remunerated as to about 70 per cent. (70%) of his total Directors' fees in cash and about 30 per cent. (30%) of his total Directors' fees in the form of shares in the Company. The actual number of shares to be awarded will be based on the volume-weighted average price of a share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the Company's Annual General Meeting, rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. Each of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning will receive all of their Directors' fees in cash.
- 2 In relation to item 4 under the heading "As Ordinary Business", Mr Liew Mun Leong, a non-independent Director, retires by rotation pursuant to Article 95 of the Company's Articles of Association at the Annual General Meeting and is not seeking re-election. In relation to items 4(a) and (b) under the heading "As Ordinary Business", Mr Ng Kee Choe will, upon re-election, continue to serve as Chairman of the Board, Chairman of the Investment Committee, a member of the Nominating Committee, a member of the Finance and Budget Committee and a member of the Executive Resource and Compensation Committee respectively; and Mr Peter Seah Lim Huat will, upon re-election, continue to serve as Deputy Chairman of the Board, Chairman of the Nominating Committee, Chairman of the Finance and Budget Committee and Chairman of the Executive Resource and Compensation Committee respectively. Mr Ng will replace Mr Seah as Chairman of the Executive Resource and Compensation Committee from 27 April 2013. Mr Ng and Mr Seah are considered as independent Directors. Please refer to the "Board of Directors" section of the Company's Annual Report 2012 for information on the current directorships in other listed companies and other principal commitments of Mr Ng and Mr Seah respectively.
- 3 In relation to items 5(a), (b) and (c) under the heading "As Ordinary Business", Tan Sri Amirsham Bin A Aziz will, upon re-election, continue to serve as a member of the Audit Committee and a member of the Risk Committee respectively; Mr Stephen Lee Ching Yen will, upon re-election, continue to serve as a member of the Executive Resource and Compensation Committee and a member of the Risk Committee respectively; and Mr Lim Ming Yan will, upon re-election, continue to serve as a member of the Investment Committee, a member of the Finance and Budget Committee and a member of the Corporate Disclosure Committee respectively. Tan Sri Amirsham and Mr Lee are considered as independent Directors. Mr Lim is the President and Group Chief Executive Officer of the Company. Please refer to the "Board of Directors" section of the Company's Annual Report 2012 for information on the current directorships in other listed companies and other principal commitments of Tan Sri Amirsham, Mr Lee and Mr Lim respectively.

Appendix
NOTICE OF
ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTES: (cont’d)

- 4 Ordinary Resolution No. 7A under the heading “As Special Business”, if passed, will empower the Directors to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments from the date of the Annual General Meeting until the date of the next Annual General Meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution No. 7A is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 7A is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. The sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis is below the twenty per cent. (20%) sub-limit permitted by the Listing Manual of the SGX-ST. The Directors believe that the lower sub-limit of ten per cent. (10%) would sufficiently address the Company’s present need to maintain flexibility while taking into account shareholders’ concerns against dilution.
- 5 Ordinary Resolution No. 7B under the heading “As Special Business”, if passed, will empower the Directors to grant awards under the Performance Share Plan and the Restricted Share Plan, and to allot and issue shares pursuant to the vesting of such awards provided that the aggregate number of shares to be issued, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered pursuant to the Performance Share Plan, the Restricted Share Plan and all shares, options or awards granted under any other share schemes of the Company then in force, does not exceed eight per cent. (8%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

CAPITALAND LIMITED
(Regn. No.: 198900036N)
(Incorporated in the Republic of Singapore)

- IMPORTANT:**
- For investors who have used their CPF monies to buy the Company's shares, this Summary Report/Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
 - This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
 - CPF investors who wish to attend the Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM ANNUAL GENERAL MEETING

I/We, _____ (Name) _____ (NRIC/Passport/Company Regn. No.)
of _____ (Address)

being a member/members of CapitaLand Limited (the “**Company**”) hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at The Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617, on Friday, 26 April 2013 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolutions Relating To:	For*	Against*
	ORDINARY BUSINESS		
1	Adoption of Directors’ Report, Audited Financial Statements and Auditors’ Report		
2	Declaration of a First and Final Dividend		
3	Approval of Directors’ Fees		
4(a)	Re-election of Mr Ng Kee Choe as Director		
4(b)	Re-election of Mr Peter Seah Lim Huat as Director		
5(a)	Re-election of Tan Sri Amirsham Bin A Aziz as Director		
5(b)	Re-election of Mr Stephen Lee Ching Yen as Director		
5(c)	Re-election of Mr Lim Ming Yan as Director		
6	Re-appointment of KPMG LLP as Auditors		
	SPECIAL BUSINESS		
7A	Authority for Directors to issue shares and to make or grant instruments pursuant to Section 161 of the Companies Act, Cap. 50		
7B	Authority for Directors to grant awards, and to allot and issue shares, pursuant to the CapitaLand Performance Share Plan 2010 and the CapitaLand Restricted Share Plan 2010		

* If you wish to exercise all your votes “For” or “Against”, please indicate with a “✓” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2013

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE.

Total Number of Shares Held

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BUILDING PEOPLE

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CAPITALAND LIMITED

c/o M & C Services Private Limited

112 Robinson Road

#05-01

Singapore 068902

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NOTES TO PROXY FORM:

- 1 A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2 Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
- 3 Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the Meeting.
- 4 A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument of proxy will be deemed to relate to all the shares held by the member.
- 5 The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time appointed for holding the Meeting.
- 6 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 8 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Engagement Partner since
financial year ended
31 December 2010:
Leong Kok Keong

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

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