GROWING OUR PRESENCE IN ASIA

CapitaMalls Asia Limited
Report to Shareholders 2011

(Incorporated in the Republic of Singapore with limited liability)
(Singapore Stock Code: JS8)
(Hong Kong Stock Code: 6813)

CapitaMalls Asia
凯德商用

Asia's Leading Mall Developer, Owner and Manager

Financial Performance FY 2011

Profit After Tax & Minority Interests *(PATMI)*

S$456.0mil

increased by 8.1%

Revenue Under Management

S$1.5bil

increased by 10.5%

Total Net Asset Value *(NAV)*

S$6.2bil

increased by 6.8%

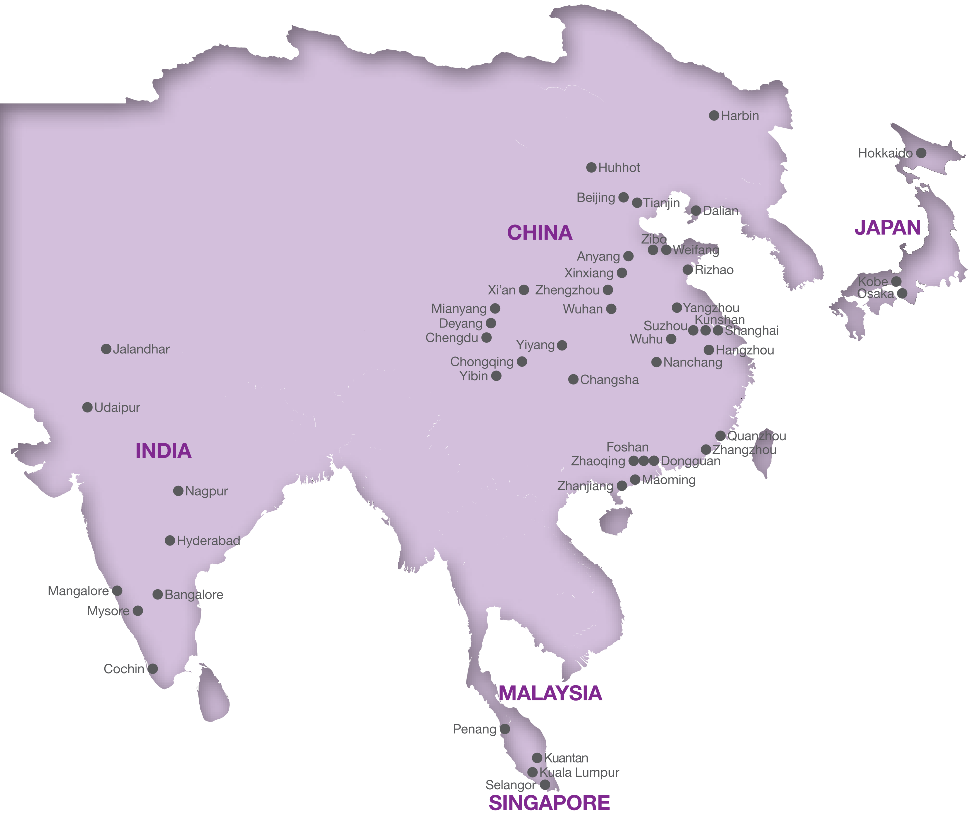
Total Revenue

S$246.2mil

increased by 0.3%

Note: Compared with FY 2010's previously reported numbers

Geographically Diversified Portfolio



Highlights of 2011

OVERVIEW OF CMA'S BUSINESS

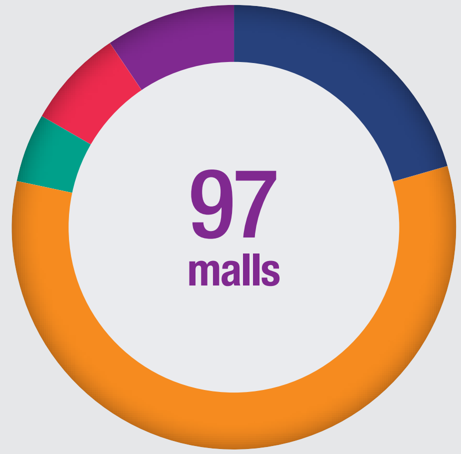
By GFA

Singapore	:	13.2
China	:	61.1
Malaysia	:	4.7
Japan	:	1.8
India	:	6.6

By Property Value

Singapore	:	14.5
China	:	12.5
Malaysia	:	1.4
Japan	:	0.6
India	:	0.4

By Number of Malls



Singapore	:	20
China	:	56
Malaysia	:	5
Japan	:	7
India	:	9

Note: The above figures are on a 100% basis, where the property value and GFA of each of the properties are taken in their entirety regardless of our interest.

SHOPPER TRAFFIC & TENANT SALES CONTINUES TO GROW *(% Growth in FY 2011 vs FY 2010)*

	Singapore[1]	China[2]	Malaysia[3]	Japan[4]	India
Shopper Traffic	+2.2%	+7.5%	+1.5%	+2.6%	+0.1%
Tenant Sales	+5.5%	+13.2%	–	+0.8%	+13.6%

Note:
This analysis takes into account all malls that were opened prior to 1 Jan 2010.
1. Excludes JCube, Hougang Plaza, The Atrium@Orchard and Iluma.
2. Excludes 3 master leased malls under CRCT. Excludes tenant sales from supermarkets and department stores.
3. Point of sales system not ready. Excludes Queensbay Mall, whose acquisition by CMA was completed in Apr 2011, and East Coast Mall, whose acquisition by CMMT was completed in Nov 2011.
4. Tenant sales for Vivit Square and Chitose Mall only.

Contents

Vision

To be the leading shopping mall developer, owner and manager through value creation and continuous innovation.

Mission

To create sustainable growth and capital value through acquisition, development, asset enhancement and proactive management of our retail properties by leveraging on our integrated shopping mall management platform.

Corporate Profile

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

Shopping malls in the portfolio include ION Orchard and Plaza Singapura – which are located in one of the world's most famous shopping streets, Orchard Road – Raffles City Singapore and Clarke Quay in Singapore. Our landmark shopping malls in China are CapitaMall Crystal in Beijing; Hongkou Plaza in Shanghai and Raffles City Shanghai; and CapitaMall Jinniu in Chengdu. The portfolio also includes Gurney Plaza in Penang, Malaysia; Vivit Square in Tokyo, Japan; as well as Forum Value Mall in Bangalore, India.

CapitaMalls Asia's principal business strategy is to invest in, develop and manage a diversified portfolio of real estate used primarily for retail purposes in Asia, and to strengthen its market position as a leading developer, owner and manager of shopping malls in Asia.

For Investors:
Provide sustainable returns and enhanced asset value

For Tenants:
Create profitable opportunities

For Shoppers:
Create delightful shopping experiences

For Employees:
Provide opportunities for personal and career growth

For Community:
Commit to corporate social responsibility and environmental sustainability

Year in Brief

Jan 2011

Launched S$200.0 million worth of 1-year and 3-year retail bonds to the public in Singapore with interest rates of 1.00% and 2.15% per annum respectively. The public offer was more than 1.8 times subscribed.

Bugis Junction, Singapore was conferred the BCA Green Mark Gold Award by the Building and Construction Authority (BCA) of Singapore.

Feb 2011

Acquisition of Iluma, Singapore for a purchase consideration of S$295.0 million by CapitaMall Trust.

Mar 2011

The Celebration Mall, Udaipur, India was ranked amongst the 25 Best Shopping Malls in India in 2011 by Retailer Magazine.

Apr 2011

JCube, Singapore clinched the BCA Green Mark Platinum Award.

The retail component of The Atrium@Orchard, Singapore was conferred the BCA Green Mark Gold Award.

May 2011

Converted CapitaRetail China Development Fund to CapitaMalls China Income Fund and upsized fund by 50.0% to US$900.0 million.

CapitaMalls Asia, CapitaMall Trust and CapitaLand were awarded a prime land parcel at Jurong Gateway, Singapore by the Urban Redevelopment Authority (URA), with plans for a retail-cum-office project at a development cost of about S$1.5 billion. The development is named Westgate.

CapitaRetail China Trust (CRCT) announced the acquisition of CapitaMall Minzhongleyuan, previously known as New Minzhong Leyuan Mall, located in Wuhan, Hubei Province, China at an agreed property price of RMB395.0 million.

Organised the inaugural Retailers' Forum in Chengdu, China for more than 600 participants to network and seek expansion opportunities in other markets.

Orchard Turn Developments Pte Ltd, Singapore was conferred the BCA Design and Engineering Safety Excellence Award.

Jun 2011

Acquisition of East Coast Mall, Kuantan, Malaysia by CapitaMalls Malaysia Trust (CMMT) for a purchase consideration of RM310.0 million.

Opened Minhang Plaza in Shanghai, China.

Jul 2011

Opened The Celebration Mall, Udaipur, in India.

Aug 2011

Acquired remaining 50.00% stakes in Minhang Plaza and Hongkou Plaza in Shanghai, China for approximately US$789.0 million.

Sep 2011

Formed joint venture with Suzhou Industrial Park Jinji Lake Urban Development Co., Ltd to develop a prime site in Suzhou Centre into the largest shopping mall in Suzhou for about RMB6.7 billion, including land cost.

Oct 2011

Successful secondary listing by introduction on the Hong Kong Stock Exchange (HKEx).

Launched inaugural Retail Global Connexion in Singapore to showcase successful retailers, attracting more than 1,000 participants, including over 500 top international and regional retailers and local tertiary students.

CapitaMall Wusheng, Wuhan, China was conferred the BCA Green Mark Gold Award, the first CapitaMalls Asia project in China to win this award.

Nov 2011

CapitaMalls Asia, CapitaLand and Singbridge Holdings were awarded a prime site for a landmark mixed development in Chongqing, China with a total development cost of RMB21.1 billion.

Launched Bedok Residences, part of the newest mixed development in the heart of Bedok Town, one of the most popular mature residential estates in Singapore, together with CapitaLand Residential Singapore. More than 350 units were sold on the first day of launch.

Dec 2011

Opened Hongkou Plaza in Shanghai, China.

Opened CapitaMall Crystal in Beijing, China.

Launched CAPITASTAR, a card-less rewards programme for shoppers across 12 participating CapitaMalls and over 1,800 stores in Singapore.

Awarded Best Retail Developer in Asia by Euromoney Real Estate Awards 2011.

Awarded Best Retail Developer in China by Euromoney Real Estate Awards 2011.

Awarded Best Retail Developer in Singapore by Euromoney Real Estate Awards 2011.

Awarded Best for Investor Relations by Asiamoney Corporate Governance Poll 2011.

ION Orchard, Singapore was awarded Best Shopping Experience 2011 by the Singapore Tourism Board (STB).

Gurney Plaza, Penang, Malaysia was conferred the BCA Green Mark Gold Award, the first CapitaMalls Asia and CapitaLand project in Malaysia to receive this award.

Vivit Square, Tokyo, Japan achieved an 'A' rating for the CASBEE Award, the first CapitaMalls Asia and CapitaLand project in Japan to receive this award.

CapitaMall Tianfu, Chengdu, China was conferred the BCA Green Mark Gold Award.

Phase 2 of CapitaMall Jinniu, Chengdu, China was certified Green Mark by BCA.

CapitaMall Xuefu, Harbin, China was certified Green Mark by BCA.

Donated more than S$500,000 worth of school necessities to nearly 19,000 underprivileged children in Singapore, China, Malaysia, Japan and India under CMA's signature annual "My Schoolbag" corporate social responsibility (CSR) programme with funding from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand. The programme was extended to Malaysia, Japan and India for the first time.

CapitaMall Aidemengdun, Harbin, China was certified Green Mark by BCA.

ION Orchard, Singapore

Developing a Strong Track Record

Letter to Shareholders

Dear Shareholders,

CapitaMalls Asia (CMA) performed well in 2011 despite the persistent uncertainty in the global economy brought about by the sovereign debt crises in the United States and Europe. We continued to capitalise on our financial strength as well as operational competency to seize the competitive window to acquire and open new malls, and improve the yields of our operating malls to further seal our position as the leading shopping mall developer, owner and manager in Asia.

We achieved profit after tax and minority interests (PATMI) of S$456.0 million, 8.1% higher than the S$421.9 million (previously reported) for FY 2010. Earnings before interest and tax (EBIT) for FY 2011 were S$601.9 million, 27.4% higher than the SS$472.4 million (previously reported) for FY 2010. Revenue under management for the year was S$1,501.4 million, a 10.5% increase over the S$1,359.1 million for FY 2010.

Laying the foundation to grow our business, we pushed on with our plans for expansion and growth in Asia. Together with our real estate investment trusts (REITs) CapitaMall Trust (CMT), CapitaRetail China Trust (CRCT) and CapitaMalls Malaysia Trust (CMMT), we acquired stakes in eight malls in Singapore, China and Malaysia in 2011, amounting to a total commitment of S$3.9 billion. Excluding the acquisitions by our REITs, CMA committed a total of S$3.4 billion in acquiring stakes in five malls in Singapore and China – well ahead of our target of S$2.0 billion.

We opened four malls in 2011 – three in China (Minhang Plaza and Hongkou Plaza in Shanghai; and CapitaMall Crystal in Beijing) and one in India (The Celebration Mall, Udaipur). As at 31 December 2011, we owned and managed 72 operating malls and had another 25 under development.

Our China malls continued to perform well, registering net property income growth of 20.7% last year. Tenants' sales in our China and India malls also increased by 13.2% and 13.6% respectively last year, compared to 2010.

CMA managed three listed REITs and five private funds, with assets under management of S$20.7[1] billion in 2011. The EBIT derived from our management fee business in 2011 was S$63.6 million.

We continued to build our financial strength through prudent capital management. We issued two series of retail bonds in January 2011 and 2012 through our wholly-owned subsidiary, CapitaMalls Asia Treasury Limited (CMATL), raising a total of S$600.0 million. Both bond offerings were oversubscribed.

As at 31 December 2011, we were in a cash position of S$975.5 million with a low gearing of 3.9%. Underpinned by the stability of our rental income and resilience of our integrated shopping mall business model, we continued to have strong access to bank lending facilities and capital markets. We were also dual-listed on the Main Board of the Hong Kong Stock Exchange in October 2011.

In recognition of our operational excellence and focus on green building and sustainable development, CMA won three awards at the Euromoney Real Estate Awards 2011 – for Best Retail Developer in Asia, Best Retail Developer in China and Best Retail Developer in Singapore. We also garnered a total of 11 green accolades in Singapore, China, Malaysia and Japan in 2011. These include the first Building and Construction Authority (BCA) Green Mark Platinum Award (in Singapore) and first Green Mark Gold Awards in China and Malaysia.

As our shopping malls are an integral part of the communities that they serve, we continued with our efforts to engage the communities. In 2011, CMA contributed more than S$500,000 to nearly 19,000 underprivileged children in five countries under our signature annual "My Schoolbag" corporate social responsibility (CSR) programme in 2011 with funding from CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand.

Our net tangible assets (NTA) per share increased from S$1.50 at the start of 2011 to S$1.60 at the end of the year. Including the total dividend paid of 3.5 Singapore cents[2] a share in 2011, the total increase in NTA was 9.0% for the year.

1. Including 3 listed REITs and 5 private funds.
2. Comprising dividend of 2.0 Singapore cents for FY 2010 and interim dividend of 1.5 Singapore cents for FY 2011, both paid out in 2011.

ACHIEVING STRONG RESULTS IN 2011

Earnings Before Interest and Tax (EBIT)

S$601.9mil

increased by 27.4%

Assets Under Management

S$20.7[1] bil

increased by 22.4%

Net Tangible Assets (NTA) per Share

S$1.60

increased by 9.0%[2]

Letter to Shareholders

The Directors are pleased to propose a final dividend of 1.5 Singapore cents a share for FY 2011. Including the interim dividend of 1.5 Singapore cents we declared in July 2011, the proposed total dividend for full year 2011 is 3.0 Singapore cents a share.

We thank you for your support in 2011. Looking ahead to this year, Asian countries will continue to lead world economic growth.

On behalf of the Board and management of CMA, we are pleased to share with you our 2011 performance and our plans for 2012.

Review of 2011

In Singapore, CMA, together with CMT and CapitaLand, was awarded the tender for an integrated shopping mall and office tower at Jurong Gateway by the Urban Redevelopment Authority (URA) in June. The development, named Westgate, will be a new landmark in Jurong Gateway, continuing the transformation of the Jurong Lake District into Singapore's largest regional centre. Ground-breaking for the 741,000 square foot development took place in record time in January 2012, a mere seven months after we were awarded the tender.

CMA and CapitaLand Residential Singapore launched Bedok Residences in the heart of Bedok, one of the most popular mature residential estates in Singapore, in November 2011. Despite being introduced in the midst of a challenging property market, Bedok Residences received overwhelming response. We have sold more than 80.0% of Bedok Residences, at an average selling price of S$1,350 per square foot. The shopping mall, which has direct access to both the MRT and bus interchange, is scheduled to open by 2014.

In China, we expanded our presence in key cities with the opening of three malls: Minhang Plaza and Hongkou Plaza in Shanghai; and CapitaMall Crystal in Beijing, which have started contributing to our income. On the acquisition front, we continued to deepen our presence in the East and West regions. We increased our stakes in Minhang Plaza and Hongkou Plaza in Shanghai and now own 100.0% of both malls, together with our associates.

CMA also signed an agreement with Suzhou Industrial Park Jinji Lake Urban Development Co., Ltd (SIPJUD) to develop and own a shopping mall and two office towers on a prime site in Suzhou – our maiden project and the largest shopping mall in the city. The mall is located at the heart of the western central business district of Suzhou Industrial Park, next to the renowned Jinji Lake and near the traditional city centre.

Following a successful tender in November 2011, CMA will jointly develop the iconic Chao Tian Men site in Chongqing with CapitaLand and Singbridge Holdings, into a landmark mixed development including a shopping mall and eight towers for residential, office, serviced residence and hotel use.

As at 31 December 2011, CMA had a total of 56 shopping malls across 35 cities in China, with a total GFA of 61.1 million square feet. Of these, 42 malls were operational.

In addition, we also converted our CapitaRetail China Development Fund to an income fund and upsized the fund by 50.0% to US$900.0 million, reflecting the evolution of the portfolio of shopping malls from assets under development into operational malls.

In Malaysia, we completed our acquisition of Queensbay Mall in Penang in April 2011, and it has started contributing to our income. We also carried out enhancement works at Gurney Plaza in Penang to reinforce its position as the state's premier shopping mall. This included the conversion of some car park spaces on the 5th and 6th floors to provide a seamless shopping experience through all levels of the mall, as well as an interior refurbishment programme. These works have increased Gurney Plaza's net lettable area by about 25,000 square feet.

In Japan, we continued to consolidate our position in the retail industry. The performance of our malls improved, with tenants' sales increasing 0.8% and shopper traffic growing by 2.6% in 2011.

In India, we opened The Celebration Mall, Udaipur in July, the first shopping mall developed through our joint venture with Advance India Projects Limited (AIPL) in India. The mall comprises about 390,000 square feet of super built-up area across seven floors, with a strong line up of key anchor tenants, fine dining restaurants, cafes, food kiosks and department stores. As the first shopping mall in the city, The Celebration Mall, Udaipur, helps meet the under-served retail aspirations and needs of the city's residents and tourists.

Strategic Capital Management

We started the year with CMATL issuing S$200.0 million of 1-year and 3-year retail bonds paying interest of 1.00% and 2.15% per annum respectively. Catering to investors looking for fixed income returns and capital protection, the public offer was more than 1.8 times subscribed.

Given the encouraging response, CMATL launched the second series of retail bonds in January 2012. An initial S$200.0 million of 10-year bonds were offered with interest payments of 3.8% per annum for the first five years and 4.5% per annum for the next five years, if the bonds were not redeemed early. The initial placement tranche of S$100.0 million was more than two times subscribed, while the initial public offer of S$100.0 million was about 4.65 times subscribed. The deal was upsized to S$400.0 million with S$180.0 million allocated to the placement tranche while S$220.0 million was allocated to the public offer.

With the two issuances of retail bonds amounting to S$600.0 million, CMA successfully developed a new and differentiated source of debt funding, creating an investor following and a database of over 25,000 retail bond investors to tap for future offerings.

We ended the year with a low net debt to equity of 3.9%. We had a cash position of S$975.5 million against gross debt of S$1.23 billion. Our average debt maturity profile was 3.4 years before talking into consideration the 10-year retail bonds issued in 2012. And we have also proactively fixed the interest rates on almost 80% of our debt with the remaining on floating rates.

On 18 October 2011, CMA was successfully dual-listed on the Hong Kong Stock Exchange. This is a strategic move that will widen our investor base, provide greater capital management flexibility and raise our profile in China.

Overall, we enter the new year with a sense of confidence backed by our strong financial position and a capital structure that has the flexibility and capacity to address a diverse business environment.

CapitaMall Trust

As at 31 December 2011, CMA had a 28.54% effective stake in CMT. CMT achieved net property income (NPI) of S$418.2 million for FY 2011, an increase of 4.8% compared to S$399.1 million for FY 2010.

In February 2011, CMT acquired Iluma, a shopping mall located at Victoria Street and connected by an overhead bridge to the popular Bugis Junction, one of CMT's existing properties, for S$295.0 million. The integration of Iluma with Bugis Junction will create a combined shopping destination with net lettable area of more than 606,000 square feet, about the size of ION Orchard. Asset enhancement works at Iluma commenced in November 2011, with expected completion in the second quarter of 2012.

In June 2011, CMT, together with CMA and CapitaLand, was awarded a prime land parcel at Jurong Gateway for S$969.0 million. This will also be CMT's first greenfield development. The shopping mall will be ready by Christmas 2013, while the office tower will be ready for occupation in late 2014.

In terms of capital management, CMT offered up to S$200.0 million worth of 2-year retail bonds to public and institutional investors in Singapore at an interest rate of 2.00% per annum. This first retail bond offer was about 1.9 times subscribed and the offer was increased to S$300.0 million to meet strong demand from both public and institutional investors.

CapitaRetail China Trust

As at 31 December 2011, CMA had a 27.00% effective stake in CRCT. In 2011, CRCT recorded a distribution per unit (DPU) of 8.7 cents for FY 2011, an increase of 4.1% over FY 2010.

CRCT acquired CapitaMall Minzhongleyuan for RMB395.0 million in May 2011. With its attractive yield, excellent location and strong tenant base, CapitaMall Minzhongleyuan is a quality addition to CRCT's portfolio of shopping malls across six cities in China.

CapitaMalls Malaysia Trust

As at 31 December 2011, CMA had a 35.73% effective stake in CMMT. In 2011, CMMT achieved a DPU of 7.87 sen for FY 2011, 8.4% higher than the annualised DPU of 7.26 sen for FY 2010.

CMMT completed the acquisition of Gurney Plaza Extension in March 2011 and the acquisition of East Coast Mall in Kuantan in November 2011. These acquisitions further enhance CMMT's income and geographical diversifications.

Letter to Shareholders

Getting Closer To Our Customers

At CMA, our tenants and shoppers are the main reasons for our success. As such, it is important that we always add value to them.

In 2011, we organised a total of 11 Biz+ seminars, including sessions on visual merchandising, shop front designs and financing, which were attended by over 2,700 retailers.

We also organised the inaugural CMA Retailers' Forum in Chengdu, China in May, for more than 600 participants to network and seek expansion opportunities in other markets. This was followed by the inaugural Retail Global Connexion in Singapore in October, which showcased successful retailers and was attended by more than 1,000 participants, including top international and regional retailers, as well as tertiary students.

These forums not only showcase our retailers, but also provide them with additional opportunities to meet new investors, business partners, including franchisees, and potential employees. They also highlight to our retailers CMA's competitive advantage in helping them expand to our malls in the other countries that we are present in, for our mutual growth. We will continue to explore ways to add value to our retailers to help them grow, as their success is fundamental to ours.

In order to establish a deeper understanding of our shoppers and to thank and reward them for shopping at our malls, we launched CAPITASTAR, a new card-less rewards programme that lets members earn rewards for purchases, on top of other existing rewards. With 12 participating CapitaMalls and over 1,800 stores in Singapore, this is the largest rewards programme by any mall manager in Singapore.

Developing Human Capital

Achieving operational excellence and growth is not possible without strong human capital. As CMA continues to grow and expand, the need to strengthen our human capital becomes even more crucial.

As at 31 December 2011, CMA had over 3,500 staff in the five countries in which we operate. We are committed to strengthening training and development for all levels of staff and have organised study trips for our overseas staff to Singapore, as well as a study trip to the United Kingdom, to expose them to the latest retail trends, concepts and developments.

As part of continuous learning, our staff attend training programmes offered by the CapitaLand Institute of Management and Business as well as our online platform, which provides staff in different locations with the flexibility to learn at their own pace and at their own time.

Corporate Social Responsibility

We continued to strengthen our corporate social responsibility (CSR) efforts in 2011.

My Schoolbag, CMA's signature annual CSR programme under which the company donates schoolbags containing school and daily necessities to underprivileged children, was extended to Malaysia, Japan and India for the first time in 2011, expanding CMA's community outreach to all the five markets that we operate in. With funding from CHF, CMA contributed more than S$500,000 worth of school necessities to nearly 19,000 underprivileged children in the five countries.

As a company committed to protecting the environment, 55 malls across our five markets of Singapore, China, Malaysia, Japan and India took part in Earth Hour 2011, turning off façade and non-essential lights for 10 hours on 26 March 2011.

As an extension of CMA and CapitaLand's commitment to Earth Hour 2011, we organised our first-ever "Wear Less Day" in Singapore a day earlier. Staff were encouraged to dress down while the air-conditioning temperatures in our workplaces were turned up, to reduce electricity consumption and greenhouse emissions.

CMA also participated in Green for Hope @ CapitaLand, an annual recycling campaign in collaboration with CHF that marries green efforts with philanthropy. From 1 January to 30 June 2011, tenants and shoppers were encouraged to go green by recycling and, in doing so, "earned" donations to benefit underprivileged children. CHF donated S$2 for every kilogramme of recyclable waste collected from participating properties. This initiative not only helped to promote a recycling culture among tenants but also helped to reduce the financial burden of needy families with school-going children.

Awards & Accolades

In 2011, CMA garnered a total of 11 green accolades, including the first BCA Green Mark Gold Awards in China and Malaysia – for CapitaMall Wusheng in Wuhan and Gurney Plaza in Penang respectively. BCA is a Singapore government agency that champions the development of excellent buildings.

JCube in Singapore was conferred the prestigious Green Mark Platinum award by BCA, the highest accolade for green building certification in Singapore, in recognition of its green features, design and engineering safety, and construction excellence. To be opened in April 2012, the eco-friendly mall houses Singapore's only Olympic-size ice rink and is fitted with green features such as a grey-water recycling system and a rainwater harvesting tank.

In Malaysia, Gurney Plaza in Penang became the first operating mall in Malaysia to be conferred a BCA Green Mark Gold Award. This is also the first such award for CMA and the CapitaLand Group in the country.

In Japan, Vivit Square in Tokyo achieved an 'A' rating for the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Award in recognition of its environmentally friendly features – the first CMA and CapitaLand property in Japan to receive this award.

CMA also won three awards at the prestigious Euromoney Real Estate Awards 2011 – for Best Retail Developer in Asia, Best Retail Developer in China and Best Retail Developer in Singapore.

Going Forward

Looking ahead to this year, Asian countries will continue to lead world economic growth. Singapore is forecast to record growth of between 1.0% and 3.0%, while China is projected to grow 8.2% – nearly seven times the expected average growth of the advanced economies. Malaysia is expected to expand between 5.0% and 6.0%.

We will continue to focus on our three key markets – Singapore, China and Malaysia. 2012 will be an inflection point for CMA, with more than 50.0% of our malls in China operational. We target to open nine malls this year – seven in China and two in Singapore. The two new malls in Singapore are JCube, which will house an IMAX cineplex and Singapore's only Olympic-size ice rink; and The Star Vista, the first suburban mall to offer performances and chill-out options in one location, with a 5,000-seat theatre – the second-largest performance venue in Singapore.

Going forward, we expect our expenses to be in line with inflation and revenue growth as we entrench in the cities and regions that we are currently in and achieve economies of scale.

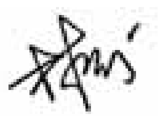
With our strong balance sheet and gearing capacity, we remain ready and flexible for both selective acquisitions as well as any further unexpected deterioration in the macro environment.

As Asia's leading shopping mall developer, owner and manager, CMA has built up our human capital. Despite the possible economic headwinds, we remain confident that we will be able to continue growing our business in 2012. We look forward to creating further value for our customers and shareholders in the year ahead.

Acknowledgements

We would like to thank all our shareholders, business partners, associates and staff, for your strong support in the previous year. We look forward to your continued support and partnership.

Mr Liew Mun Leong
Chairman



Mr Lim Beng Chee
Chief Executive Officer

19 February 2012

致股东函件

尊敬的各位股东：

尽管2011年美国及欧洲主权债务危机导致全球环境经济持续不明朗，凯德商用于2011年表现理想。我们继续充分利用我们的财务优势及营运实力，抓紧机遇收购及开设新购物中心，并提高我们营运中的购物中心的收益率，以巩固我们作为亚洲领先购物中心开发商、拥有者及管理者的地位。

我们的除税及少数股东权益后利润为4.56亿新元，较先前所报告的2010年财政年度的4.219亿新元增加8.1%。2011年财政年度的息税前利润为6.019亿新元，较先前所报告的2010年财政年度的4.724亿新元增加27.4%。年内管理收入为15.014亿新元，较2010年财政年度的13.591亿新元增加10.5%。

鉴于我们已为业务拓展奠下的基石，我们推进亚洲扩充及增长计划。联同我们的房地产投资信托基金嘉茂信托、嘉茂中国信托及凯德商用马来西亚信托，我们于2011年收购了位于新加坡、中国及马来西亚八家购物中心的股权，总收购金额为39亿新元。除我们的房地产投资信托所进行的收购外，凯德商用在新加坡及中国收购的五家购物中心股权总承担金额为34亿新元，远超我们20亿新元的目标。

2011年我们有四家购物中心开业 — 三家位于中国（上海的凯德龙之梦闵行及凯德龙之梦虹口；以及北京的凯德晶品购物中心），一家位于印度乌代普尔的The Celebration Mall。截至2011年12月31日，我们拥有并管理72家营运中的购物中心，另有25家购物中心正在开发中。

我们于中国的购物中心继续表现良好，去年净物业收入增长20.7%。与2010年相比，去年我们于中国及印度的租户销售额也分别增加13.2%及13.6%。

2011年，凯德商用管理三个上市房地产投资信托基金及五个私募基金，其管理的总资产达207[1]亿新元。2011年，我们管理费业务的息税前利润为6,360万新元。

我们继续透过审慎的资本管理建立财务优势。2011年1月及2012年1月我们透过全资附属公司 CapitaMalls Asia Treasury Limited 发行两个系列的零售债券，共筹得6亿新元。两次债券发行均获超额认购。

于2011年12月31日，我们的现金状况为9.755亿新元，负债比率低至3.9%。基于我们的租金收入稳定，及适应性强的综合购物中心业务模式，我们继续获得银行借贷融资及资本市场的支持。我们也于2011年10月在香港联交所主板作第二上市。

我们的卓越营运表现、绿色建筑及在可持续发展方面所做的努力获得了国际认可。2011年，凯德商用获《欧元杂志》地产大奖评为亚洲最佳商业地产开发商、中国最佳商业地产开发商及新加坡最佳商业地产开发商。我们也于2011年在新加坡、中国、马来西亚及日本获得共11个绿色荣誉，包括在新加坡首次获颁新加坡建设局(BCA)的绿色建筑标志白金奖，以及在中国及马来西亚获颁的首个BCA绿色建筑标志金奖。

我们的购物中心是所服务的社区的组成部份，因此我们继续致力参与社区工作。2011年，我们的大型公益活动「我的书包」活动捐赠逾50万新元给五个国家内近19,000名弱势儿童，善款由母公司嘉德置地旗下的慈善机构 – 嘉德希望基金资助。

我们的每股有形资产净值由2011年初的1.50新元增至年末的1.60新元。计及2011年已派的总股息每股3.5新分[2]后，年内的有形资产净值总共增加9.0%。

董事们建议2011年财政年度期末派发股息每股1.5新分。包括我们于2011年7月宣派的中期股息每股1.5新分即拟派2011年股息总额每股3.0新分。

我们衷心感谢您于2011年给予我们的支持。展望今年，亚洲国家将继续领导全球经济增长。

我们谨代表凯德商用董事会及管理层，向您分享我们2011年的业务表现及我们2012年的计划。

2011年回顾

在新加坡，凯德商用连同嘉茂信托及嘉德置地于6月新加坡市区重建局的投标中成功标得裕廊商业区的黄金地段，兴建集购物中心及办公楼的综合房产项目。该发展项目名为西城，将成为裕廊商业区的新地标，进一步将裕廊湖区转型成为新加坡最大的区域中心。这项目占地741,000平方尺，其动土仪式于我们中标后，仅仅七个月(即2012年1月12日)进行，打破历年纪录。

1 包括3个上市房地产投资信托基金及5个私募基金。
2 包括2010年财政年度股息每股2.0新分及2011年财政年度的中期股息每股1.5新分，两者均于2011年派发。

2011年11月，凯德商用与嘉德新加坡住宅产业有限公司推出位于勿洛镇中心的勿洛馨居。勿洛镇是新加坡最受欢迎且成熟的住宅区。尽管勿洛馨居在房产市场动荡之际推出，但市场反应热烈。我们以平均尺价1,350新元售出超过80.0%的单位。购物中心直接连通地铁站和巴士转换站，预期于2014年开业。

在中国，随着三家购物中心开幕 — 上海的凯德龙之梦闵行和凯德龙之梦虹口，以及北京的凯德晶品购物中心，我们得以扩充我们于这些主要城市的业务，而该三家购物中心也开始贡献收入。在收购方面，我们继续加强於中国东部及西部地区的业务。我们增加我们于上海的凯德龙之梦闵行和凯德龙之梦虹口的股权，现时联同我们的联营公司拥有该两家购物中心的100.0%股权。

凯德商用也与苏州工业园区金鸡湖城市发展有限公司签署协议，以于苏州的一幅黄金地段发展及拥有一家购物中心及两幢办公大厦。该发展项目将为我们在苏州的首个项目，并将为苏州最大型的购物中心。该购物中心位于苏州工业园区金鸡湖西中央商务区，毗邻知名的金鸡湖，并邻近老城区。

随着我们于2011年11月成功标得重庆朝天门黄金地段，凯德商用将联同嘉德置地及星桥控股将其地段发展成集一家购物中心和八幢用作住宅、办公楼、服务公寓及酒店用途大楼的地标性综合房产项目。

截至2011年12月31日，凯德商用于中国35个城市内拥有共56家购物中心，总建筑面积为6,110万平方尺。其中42家已投入运营。

此外，我们也将嘉茂中国发展基金转换为入息基金，规模扩大50.0%至9.0亿美元，反映购物中心投资组合由开发中资产转变为营运中购物中心。

在马来西亚，我们于2011年4月完成收购槟城的皇后湾广场，该购物中心已开始贡献收入。我们也在槟城的合您广场进行大规模改良工程，以巩固其在槟城作为首要购物中心的地位。改良工程包括内部装修计划以及将第5及第6层的一些停车位改建以在购物中心所有楼层提供无缝购物体验。这些工程使合您广场的净出租面积增加约25,000平方尺。

在日本，我们继续巩固我们在零售业的地位。2011年，我们的购物中心的表现有所提升，租户销售额上升0.8%，购物人流则增加 2.6%。

在印度，我们在印度乌代普尔的The Celebration Mall于7月开业，这是我们与印度的Advance India Projects Limited (AIPL)成立的合资公司所开发的首个购物中心。该购物中心的建筑面积约39万平方尺，楼高七层，拥有很强的主力租户，包括高级餐厅、咖啡厅、美食广场及百货公司。乌代普尔的The Celebration Mall作为该城市的首家购物中心，不单提升未成熟的零售业，也满足该城市居民及游客的需求。

战略性的资本管理

年初，CapitaMalls Asia Treasury Limited发行2.0亿新元的1年期及3年期零售债券，年利率分别为1.00%及2.15%。发行零售债券吸引了那些寻求固定收入回报及资本保障的投资者，这次公开发售获1.8倍超额认购。

由于市场反应热烈，CapitaMalls Asia Treasury Limited随后于2012年1月推出第二个系列的零售债券。首次提呈发售的10年期债券总本金额为2.0亿新元，首五年的年利率为3.8%，在债券没有提前赎回的情况下，后五年的年利率为4.5%。配售首发总额1.0亿新元的债券获超过2倍的超额认购，而公开发售总额1.0亿新元债券则获约4.65倍的超额认购。交易规模广大至4.0亿新元，其中1.8亿新元的债券以配售方式售出，而2.2亿新元的债券则以公开发售方式售出。

经两度发行零售债券合共6.0亿新元，凯德商用成功开发既新且差异化的债务融资途径，形成了一批追随投资者及逾25,000名零售债券投资者的数据库，以迎合日后发售的需要。

于年末，我们录得较低的净负债股本比率，为3.9%。我们的现金状况为9.755亿新元，而总债务则为12.3亿新元。在计及于2012年已发行的10年期零售债券前，我们的平均债务到期情况为3.4年。我们亦已积极地将近80%的债务以固定利率结算，而余下的债务则以浮动利率结算。

2011年10月18日，凯德商用成功在香港联交所第二上市。此一战略举动将可扩大我们的投资者基础，提供更灵活的资本管理并提升我们在中国的形象。

总括而言，凭借我们的雄厚财政实力及能够灵活应对多元营商环境的资本架构，我们对新一年充满信心。

嘉茂信托

截至2011年12月31日，凯德商用拥有嘉茂信托的28.54%实际权益。于2011年财政年度，嘉茂信托的净物业收入达4.182亿新元，较2010年财政年度的3.991亿新元增加4.8%。

致股东函件

2011年2月，嘉茂信托以2.95亿新元收购Iluma，一家位于新加坡维多利亚街并以一架行人天桥连接极受欢迎的白沙浮广场（为嘉茂信托现有物业之一）的购物中心。Iluma 与白沙浮广场相连接，将创造一个净出租面积超过606,000平方尺的购物热点，与ION Orchard相等。Iluma 的资产改良工程已于2011年11月展开，预期将于2012年第二季竣工。

2011年6月，嘉茂信托联同凯德商用及嘉德置地成功以9.69亿新元标得裕廊商业区的一幅黄金地段。此也为嘉茂信托首个新发展项目。购物中心将于2013年圣诞节前开业，而办公大楼将于2014年末投入使用。

在资本管理方面，嘉茂信托向新加坡公众及机构投资者发行总值达2.0亿新元的2年期零售债券，年利率为2.00%。此首次债券发行获1.9倍的超额认购，而为满足公众及机构投资者的强大需求，发售规模扩大至3.0亿新元。

嘉茂中国信托

截至2011年12月，凯德商用持有嘉茂中国信托27.00%的实际权益。2011年，嘉茂中国信托的2011年财政年度每单位分红为8.7新分，比2010年财政年度高出4.1%。

2011年5月，嘉茂中国信托以3.95亿人民币收购凯德民众乐园。凭藉凯德民众乐园具吸引力的回报率、优越的地理位置及强大的租户基础，其为嘉茂中国信托遍布中国六个城市的购物中心组合增添雄厚的实力。

凯德商用马来西亚信托

截至2011年12月31日，凯德商用持有凯德商用马来西亚信托35.73%的实际权益。2011年，凯德商用马来西亚信托的2011年财政年度每单位分红为7.87分马币，比2010年财政年度的年均每单位分红的7.26分马币高出8.4%。

凯德商用马来西亚信托于2011年3月完成收购合您广场扩建部分，并于2011年11月完成收购关丹的东海购物中心。该等收购进一步加强凯德商用马来西亚信托的收入及地理多元化发展。

与客户建立紧密连系

对凯德商用而言，租户及购物者为我们致胜之道。因此，不断为租户及购物者增值至关重要。

2011年，我们举办了11个商+研讨会，包括有关视觉营销、店面设计及融资的研讨会，吸引逾2,700家零售商参与。

我们也于5月在中国成都举行了首届2011年凯德商用零售商论坛，以让600多家零售商互相交流并在其他市场寻求扩充机会。其后，我们于10月在新加坡举办首届2011年全球零售商大会(Retail Global Connexion)，邀请成功零售商分享经验。此大会吸引超过1,000多名与会人士参加，当中包括顶尖国际及区域零售商及大专学生。

这些论坛不仅让零售商分享经验，还为他们提供额外机会接触新投资者、商业伙伴（包括特许经营人及潜在雇员）。此外，这些论坛也向零售商展示凯德商用的竞争优势，即可协助他们拓展至我们现时于其他国家的购物中心，促进共同增长。零售商的成功是我们达致成功的基本要素，因此我们将继续寻求不同方式为我们的零售商增值，以帮助他们增长。

为了更深入地了解我们的购物者，并答谢及报答他们光顾我们的购物中心，我们推出「凯德购物星」的新无卡奖励计划，让会员在购物时能在市场现有奖励计划之上赚取更多奖励。该计划共有12家凯德商用新加坡购物中心及其超过1,800间零售商店参与，是新加坡所有购物中心管理者当中最大型的奖励计划。

发展人力资本

人力资本是达致卓越的营运表现及增长的关键要素。随着凯德商用的不断增长及拓展，加强人力资本更是刻不容缓。

截至2011年12月31日，凯德商用在五个经营业务的国家共聘用3,500多名员工。我们致力于加强所有阶层的员工培训及发展，并安排海外员工前往新加坡甚至英国观摩学习，让员工亲身感受零售业的新趋势、概念及发展。

作为持续进修的一部份，我们的员工参加由嘉德管理商学院以及我们的网上平台提供的培训课程，为不同地区的员工提供灵活的培训设施，使他们可根据自己的进度及工馀时间选择进修。

企业社会责任

我们于2011年持续加大企业社会责任的活动。

「我的书包」是凯德商用年度大型公益活动，在该活动中，公司捐赠书包及日常学习必需品给弱势儿童。2011年，「我的书包」活动更首次延伸至马来西亚、日本及印度，将活动扩展至我们业务覆盖的五个市场中。在嘉德希望基金的资助下，凯德商用捐赠逾50万新元给五个国家内近19,000名弱势儿童。

作为一家积极保护环境的公司，凯德商用在新加坡、中国、马来西亚、日本和印度等五国的55家购物中心均参与2011年「地球一小时」活动，在2011年3月26日关闭购物中心外墙灯和非主要的照明灯十小时。

作为凯德商用及嘉德置地对支持2011年「地球一小时」活动的延续，我们在2011年3月25日在新加坡发起了首个「减一加一」活动(Wear Less Day)，鼓励员工穿着轻便装束并调高工作间空调温度，以减低耗电量及温室排放。

凯德商用也参与由嘉德置地联同嘉德希望基金举办的一年一度「带动绿色共筑希望」活动，以收集再循环物来筹款。自2011年1月1日至6月30日期间，我们鼓励租户及购物者收集再循环物以支持环保并帮助弱势儿童。在此活动下，参与该活动的嘉德置地物业每收集一公斤再循环物，嘉德希望基金将会捐赠2新元给弱势儿童。此项活动不但可於租户间推广再循环环保文化，更可舒缓贫困家庭对在学子女的财政负担。

奖项及荣誉

2011年，凯德商用一共获得11项绿色荣誉，包括在武汉的凯德广场•武胜及槟城合您广场获得的BCA绿色建筑标志金奖，此奖项是凯德商用在中国及马来西亚获得的首个BCA绿色建筑标志金奖。BCA是一个提倡优秀建筑物的政府机关。

位于新加坡的JCube荣获BCA颁发绿色标志白金奖（新加坡绿色建筑认证的最高殊荣），以表扬JCube在其绿色标志、设计、工程安全及建筑方面的杰出表现。JCube将在2012年四月开业，这个绿色商场拥有新加坡唯一一个奥运标准的溜冰场，并设置了灰水循环系统和雨水收集水箱等绿色设备。

在马来西亚，位于槟城的合您广场为马来西亚首个获得BCA绿色建筑标志金奖的营运购物中心。同时也为凯德商用和嘉德置地集团首次在马来西亚获得的此类奖项。

在日本，位于东京的Vivit Square因其环保特征被授予建筑环境效率综合性评价(CASBEE)「A」级评级，是凯德商用和嘉德置地首次在日本获得的此类奖项。

凯德商用也于2011年《欧元杂志》地产大奖中荣获三个奖项，分别获评为亚洲最佳商业地产开发商、中国最佳商业地产开发商及新加坡最佳商业地产开发商。

展望

展望今年，亚洲国家将继续主导世界经济增长。新加坡预期将取得1.0%至3.0%之间的增长，而中国预期将取得8.2%的增长，比先进经济体系的预期平均增长超出七倍。马来西亚的经济增长预期为5.0%至6.0%之间。

我们将继续集中发展新加坡、中国及马来西亚三个主要市场的业务。2012年将为凯德商用的转捩点，有超过50.0%的中国购物中心将投入运营。我们计划九个购物中心在今年开业：七个位于中国，另外两个位于新加坡。新加坡的两个新购物中心为JCube 及 The Star Vista。JCube 内设有一座 IMAX影院以及新加坡唯一一个奥运标准的溜冰场；而The Star Vista为首个位于郊区同时提供表演及休憩场所的购物中心，具备一个设有5,000个座位的剧场，是新加坡第二大表演场地。

展望未来，随着我们加深并拓展现时经营的城市及地区的业务，以达致规模经济效益，我们预期开支将随着通货膨胀及收入同步增长。

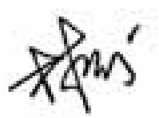
凭借稳健的资产负债表及举债能力，倘出现选择性收购机会及宏观经济环境进一步出现未能预期的衰退，我们仍得以灵活应付。

作为亚洲领先购物中心开发商、拥有者和管理者，凯德商用已培育良好的人力资源。尽管潜在的经济逆境，我们仍充满信心于2012年持续发展我们的业务。我们希望能于来年为顾客及股东创造更高价值。

致谢

我们谨此向全体股东、业务伙伴、联营公司和员工于过去一年给予的大力支持表示衷心感谢。我们期待能继续得到各位的鼎立支持与合作。

廖文良
主席



林明志
首席执行官

2012年2月19日

Our Business Structure

OUR PROPERTY INTERESTS

CapitaMalls Asia 凯德商用

Singapore

Directly Held Retail Properties

The Star Vista (100.00%)

Joint Venture

Orchard Turn Holding Pte. Ltd. (50.00%)

ION Orchard Link Pte. Ltd. (50.00%)

Bedok Site (50.00%)

Westgate (50.00%)

China

Directly Held Retail Properties

CapitaMall Tianfu (100.00%)

CapitaMall Meilicheng (100.00%)

Joint Venture

5 retail properties held with CapitaMalls China Income Fund

Luwan Integrated Development (66.00%)

Raffles City Changning (17.10%)

Minhang Plaza (50.00%)[2]

Hongkou Plaza (50.00%)[2]

Suzhou Integrated Development (50.00%)[3]

Chongqing Integrated Development (25.00%)

China Funds[4]

CMCIF (45.00%)

CMCDF II (45.00%)

CMCIBF (30.00%)

RCCF (15.00%)

Malaysia

Directly Held and Interests via Asset-backed Securitisation

Queensbay Mall (100.00%) (Strata Parcels)

Japan

Japan Fund

CapitaMalls Japan Fund (26.29%)

India[1]

India Fund

CapitaMalls India Development Fund (45.45%)

28.54% 17.81% 21.92% 35.73%

CapitaMall Trust

CapitaRetail China Trust

CapitaMalls Malaysia Trust

Singapore	China	Malaysia	Japan	India
20 properties	**56 properties**	**5 properties**	**7 properties**	**9 properties**
13.2 mil sq ft of GFA	61.1 mil sq ft of GFA	4.7 mil sq ft of GFA	1.8 mil sq ft of GFA	6.6 mil sq ft of GFA

Note

Our interests in properties, private real estate funds, CMT, CRCT and CMMT are as at 31 Dec 2011. The number of retail properties and GFA (which is based on aggregate GFA of each property in its entirety) are as at 31 Dec 2011.

1. Excludes our interest in Horizon Realty Fund, which we do not manage.
2. Acquisitions pending completion.
3. Acquisition pending government approval.
4. Our four China funds are: CapitaMalls China Income Fund (CMCIF), CapitaMalls China Development Fund II (CMCDF II), CapitaMalls China Incubator Fund (CMCIBF) and Raffles City China Fund (RCCF).

Our Property Interests

CapitaMall Trust

We have an effective 28.54% interest in CapitaMall Trust (CMT) as at 31 December 2011. CMT is the first and largest REIT listed on the Singapore Exchange Securities Trading Limited (SGX-ST). It was listed on 17 July 2002. It is also the largest listed REIT in Singapore by asset size (approximately S$9.2 billion) and by market capitalisation (approximately S$5.7 billion) as at 31 December 2011. CMT owns and invests in income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 31 December 2011, CMT had close to 2,500 leases with international and domestic retailers, and a committed occupancy rate of 94.8%. CMT owns the following 17 retail properties which are located either in suburban or downtown areas in Singapore: Tampines Mall, Junction 8, Funan DigitaLife Mall, IMM Building, Plaza Singapura, Bugis Junction, Sembawang Shopping Centre, JCube (formerly known as Jurong Entertainment Centre), Hougang Plaza, a 40.00% stake in Raffles City Singapore, Lot One Shoppers' Mall, 90 out of 91 strata lots in Bukit Panjang Plaza, Rivervale Mall, The Atrium@ Orchard, Clarke Quay, Iluma and a 30.0% stake in Westgate. CMT also has an equity interest of approximately 17.81% in CapitaRetail China Trust (CRCT). We have granted CMT a right of first refusal to acquire completed income-producing retail properties located in Singapore subject to certain conditions.

On 1 April 2011, CMT completed the acquisition of Iluma for a purchase consideration of S$295.0 million.

CapitaRetail China Trust

We have an effective 27.00% interest in CapitaRetail China Trust (CRCT) as at 31 December 2011. CRCT was listed on SGX on 8 December 2006, and was the first listed REIT in Singapore focused entirely on retail properties in China. CRCT was established with the objective of investing on a long-term basis in a diversified portfolio of income-producing properties used primarily for retail purposes and located primarily in China, Hong Kong and Macau. As at 31 December 2011, CRCT's portfolio comprised nine retail properties located in six key cities in China. The properties are: CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing, CapitaMall Qibao in Shanghai, CapitaMall Erqi in Zhengzhou, Henan Province, CapitaMall Saihan in Huhhot, Inner Mongolia, CapitaMall Wuhu in Wuhu, Anhui Province, and CapitaMall Minzhongleyuan in Wuhan, Hubei Province. CRCT has a total asset size of approximately S$1.5 billion. We have granted CRCT a right of first refusal to acquire completed income producing retail properties located in China subject to certain conditions.

On 6 May 2011, CRCT announced the acquisition of CapitaMall Minzhongleyuan, previously known as New Minzhong Leyuan Mall, located in Wuhan, Hubei Province, China at an agreed property price of RMB395.0 million.

Countries	Number of Retail Properties					GFA (million sq ft)
	Completed	Targeted for completion in 2012	Targeted for completion in 2013	Targeted for completion in 2014 and beyond	Total	
Singapore	16	2	1	1	20	13.2
China[1]	42	7	2	5	56	61.1
Malaysia	5	–	–	–	5	4.7
Japan	7	–	–	–	7	1.8
India	2	–	2	5	9	6.6
Total	**72**	**9**	**5**	**11**	**97**	**87.4**

1. Includes Suzhou Integrated Development, the acquisition of which is pending approval.

Our Property Interests

CapitaMalls Malaysia Trust

We have an effective 35.73% interest in CapitaMalls Malaysia Trust (CMMT) as at 31 December 2011. CMMT was listed on 16 July 2010 on the Main Market of Bursa Malaysia Securities Berhad, and is Malaysia's largest "pure-play" shopping mall REIT with a market capitalisation of approximately RM2.5 billion and a portfolio valued at approximately RM2.8 billion as at 31 December 2011. CMMT owns and invests in income-producing assets which are used, or predominantly used, for retail purposes primarily in Malaysia. As at 31 December 2011, CMMT's portfolio, which consists of Gurney Plaza in Penang, an interest in Sungei Wang Plaza in Kuala Lumpur, The Mines in Selangor, and East Coast Mall in Kuantan, had more than 1,000 leases with international and domestic retailers and a committed occupancy rate of 97.6%.

We have granted CMMT a right of first refusal to acquire any completed property situated in Malaysia that has an occupancy rate of at least 90.0% that is used or predominantly used for retail purposes. Further, in the event that we should sponsor a Malaysia retail property fund, we intend to procure such fund to grant a right of first refusal to CMMT in relation to any relevant retail property or interest which it wishes to dispose. For more details relating to the right of first refusal, please refer to page 182 of CMMT's initial public offering prospectus dated 28 June 2010.

On 28 March 2011, CMMT completed the acquisition of Gurney Plaza Extension, Penang for a purchase consideration of RM215.0 million. On 11 November 2011, CMMT completed the acquisition of East Coast Mall, Kuantan for a purchase consideration of RM330.0 million.

CapitaMalls China Income Fund

We have an interest of 45.00% in CapitaMalls China Income Fund, previously known as CapitaRetail China Development Fund, as at 31 December 2011. We sponsored the establishment of the fund on 6 June 2006, with a total committed capital of US$600.0 million. The fund was upsized to US$900.0 million and converted to an income fund on 24 May 2011. The fund invests primarily in income-producing retail properties and phase II retail property developments in various parts of China. As at 31 December 2011, approximately 6.31% of the committed capital of the upsized fund remained undrawn. The fund is a party to certain right of first refusal arrangements with us and our other funds. We have committed to invest and maintain our investment at no less than 45.00% of the fund's total committed capital.

CapitaMalls China Incubator Fund

We have an interest of 30.00% in CapitaMalls China Incubator Fund, previously known as CapitaRetail China Incubator Fund, as at 31 December 2011. We sponsored the establishment of the fund on 6 June 2006 with a total committed capital of US$425.0 million. The fund invests in retail properties in various parts of China with the long-term potential to generate income after repositioning, asset enhancement initiatives or leasing activities to increase occupancy rates. As at 31 December 2011, the committed capital of the fund was fully drawn. The fund is a party to certain right of first refusal arrangements with us and our other funds. We have committed to invest and maintain our investment at no less than 30.00% of the fund's total committed capital.

CapitaMalls China Development Fund II

We have an interest of 45.00% in CapitaMalls China Development Fund II, previously known as CapitaRetail China Development Fund II as at 31 December 2011. We sponsored the establishment of the fund on 6 September 2007, with a total committed capital of S$900.0 million. The fund invests primarily in retail property developments in various parts of China. As at 31 December 2011, the committed capital of the fund was fully drawn. The fund is a party to certain right of first refusal arrangements with us and our other funds. We have committed to invest and maintain our investment at no less than 45.00% of the fund's total committed capital.

Raff es City China Fund

We have an interest of 15.00% in Raffles City China Fund as at 31 December 2011. Raffles City China Fund was formed on 15 July 2008 with a total committed capital of US$1 billion and subsequently upsized to US$1.2 billion. As at 31 December 2011, 6.3% of the capital commitment of Raffles City China Fund remained undrawn. It is the largest private equity fund originated and managed by CapitaLand to-date. The fund is CapitaLand's first integrated development fund in China with the principal investment objective of investing in prime mixed-use commercial properties in key gateway cities in China. Currently, there are five Raffles City-branded integrated developments in China held through this fund, namely Raffles City Shanghai, Raffles City Beijing, Raffles City Chengdu, Raffles City Hangzhou and Raffles City Ningbo.

CapitaMalls Japan Fund Pte. Ltd.

We have an interest of 26.29% in CapitaMalls Japan Fund, previously known as CapitaRetail Japan Fund as at 31 December 2011. We sponsored the establishment of the fund on 16 April 2004 and at its final closing on 31 March 2005, it had a total committed capital of ¥44.1 billion. It was formed to invest in income-producing retail investment properties in Japan. CapitaMalls Japan Fund has acquired seven retail properties in Tokyo, Osaka, Hokkaido and Kobe. The fund's investment period has expired.

CapitaMalls India Development Fund

We have an interest of 45.45% in CapitaMalls India Development Fund, previously known as CapitaRetail India Development Fund as at 31 December 2011. We sponsored the establishment of the fund on 22 November 2007 with a total committed capital of S$880.0 million. As at 31 December 2011, 52.27% of the fund remained undrawn. The fund invests primarily in retail property developments in various parts of India. It has entered into separate joint venture agreements with Advance India Projects Limited and Prestige Estates Projects Limited (formerly known as Prestige Estates Projects Private Limited) to jointly invest in and manage retail properties in India. The fund currently has a portfolio of nine committed projects, all of which are held under these joint ventures. We have committed to maintain our investment at no less than 40.00% of the fund's total committed capital.

Horizon Realty Fund

We have a 21.43% interest in Horizon Realty Fund as at 31 December 2011. The fund was established to invest in retail properties in India. As at 31 December 2011, the fund has a total committed capital of US$350.0 million. We have committed capital of US$75.0 million to Horizon Realty Fund. We do not manage the fund or its assets.


Minhang Plaza, Shanghai, China

Upholding Our Values

Board of Directors

01 **Mr Liew Mun Leong**
Chairman and Non-Executive Director

02 **Ms Jennie Chua**
Non-Executive Director

03 **Mr Lim Tse Ghow Olivier**
Non-Executive Director

04 **Mr Sunil Tissa Amarasuriya**
Independent Non-Executive Director

05 **Tan Sri Amirsham A Aziz**
Independent Non-Executive Director

06 **Dr Loo Choon Yong**
Independent Non-Executive Director

07 **Mrs Arfat Pannir Selvam**
Independent Non-Executive Director

08 **Professor Tan Kong Yam**
Independent Non-Executive Director

09 **Mr Yap Chee Keong**
Independent Non-Executive Director

10 **Mr Lim Beng Chee**
Chief Executive Officer and Executive Director


03.

04.

06.

07.

09.

10.

Board of Directors

01 Mr Liew Mun Leong

Chairman and Non-Executive Director

Mr Liew Mun Leong, aged 65, joined the Board on 18 October 2004[1] and was last re-elected as Director at CMA's Annual General Meeting on 12 April 2010. He is also Chairman of Corporate Disclosure Committee and Investment Committee and a member of Executive Resource and Compensation Committee and Nominating Committee.

Mr Liew is a Director of CapitaLand Limited (listed on the Singapore Exchange Securities Trading Limited (SGX-ST)) and President and Chief Executive Officer (CEO) of CapitaLand Group. He is also Chairman of CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Financial Limited, CapitaValue Homes Limited and CapitaLand ILEC Pte. Ltd..

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

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

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

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

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

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

02 Ms Jennie Chua

Non-Executive Director

Ms Jennie Chua, aged 67, joined the Board on 30 October 2009 and was last re-elected as Director at CMA's Annual General Meeting on 12 April 2010.

Ms Chua is the Chief Corporate Officer of CapitaLand Limited (listed on the SGX-ST). She is a board member of CapitaValue Homes Limited, CapitaLand ILEC Pte. Ltd., CapitaLand Hope Foundation, The Ascott Limited and Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust listed on the SGX-ST).

She is Chairman of Alexandra Health/Khoo Teck Puat Hospital, Community Chest of Singapore, Sentosa Cove, Singapore Film Commission, International Advisory Council for Tourism, Tourism Industry Skills & Training Council and The Arts House. She co-chairs the Governing Council of the Institute of Service Excellence and is Deputy Chairman of Temasek Foundation.

Ms Chua is a member of Singapore's Pro-Enterprise Panel, a Board Director of Ministry of Health Holdings Pte Ltd, Singapore International Chamber of Commerce and NYU Tisch School of the Arts Asia, Ltd..

She is on the Board of Trustees of Nanyang Technological University, Singapore.

Ms Chua is a Justice of Peace and Singapore's Non-Resident Ambassador to The Slovak Republic.

She is also a Board Director of ISS A/S & ISS World Services A/S.

Awards and accolades which she has received include three Singapore National Day Awards (1984, 2004 & 2008), Outstanding Contribution to Tourism Award 2006, Women's World Excellence Awards 2006, Travel Personality of the Year Award 2005, National Trades Union Congress (NTUC) Medal of Commendation 2005, 25 Stars of Asia Award 2003, Person of the Year – Asia Pacific (Hotel) 2002, National Productivity 2002, Pacific Area Travel Writers Association Hall of Fame 2000, Hotelier of the Year 1999, Woman of the Year 1999, Champion of the Arts 1999 and Independent Hotelier of the World 1997.

Note 1: CapitaMalls Asia Limited was at that time known by its previous name "CapitaLand Retail Limited".

03 Mr Lim Tse Ghow Olivier

Non-Executive Director

Mr Olivier Lim, aged 47, joined the Board on 1 July 2005[1] and was last re-elected as Director at CMA's Annual General Meeting on 21 April 2011. He is also Chairman of Finance and Budget Committee and a member of Corporate Disclosure Committee and Investment Committee.

Mr Lim is the Chief Investment Officer of CapitaLand Limited (listed on the SGX-ST). He is concurrently the Non-Executive Chairman of Australand Holdings Limited (listed on the Australian Securities Exchange), and a Non-Executive Director of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST), CapitaCommercial Trust Management Limited (the manager of CapitaCommercial Trust listed on the SGX-ST) and Raffles Medical Group Ltd (listed on the SGX-ST). 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..

He was CapitaLand's Group CFO for 6 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 holds a First Class Honours degree in Civil Engineering from Imperial College, London. He was named CFO of the Year 2007 (for firms with market value of S$500 million or more) in The Business Times' Singapore Corporate Awards. He was also named CFO of the Year by The Asset magazine in its 2010 Asian Awards. He 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.

04 Mr Sunil Tissa Amarasuriya

Independent Non-Executive Director

Mr Sunil Tissa Amarasuriya, aged 62, joined the Board on 30 October 2009 and was last re-elected as Director at CMA's Annual General Meeting on 21 April 2011. He is also a member of Audit Committee and Executive Resource and Compensation Committee.

Mr Amarasuriya is Chairman of the B.P. de Silva Group. He joined the B.P. de Silva Group in July 1972. In 1982, he formally assumed the control and management of the B.P. de Silva Group when he was appointed the Managing Director of B.P. de Silva Holdings Pte Ltd, the holding company of the B.P. de Silva Group, and a director of major group subsidiaries. The businesses of the B.P. de Silva Group comprise jewellery, RISIS gift manufacturing and retailing, investment in watch business, bulk and value added tea business, and investments into other businesses including food and beverage, environmental engineering, hydropower plants and others. The B.P. de Silva Group has operations principally in Singapore, Malaysia, Sri Lanka and Switzerland.

Mr Amarasuriya was contemporaneously a director of The Swatch Group S.E.A. (S) Pte Ltd, and The Swatch Group (Malaysia) Sdn. Bhd. when both companies were established in 1995. Simultaneously, he became CEO of The Swatch Group S.E.A. (S) Pte Ltd responsible for Swatch operations in South East Asia. In 2000, he was appointed a member of the Extended Group Management Board of Swatch Group Ltd, a company listed on the Swiss Stock Exchange. Mr Amarasuriya relinquished his executive positions with the Swatch group in 2004.

In 2007, Mr Amarasuriya was appointed to the board of Audemars Piguet Holding SA, and is currently a member of its audit committee. In 2009, he assumed the chairmanship of Tea Tang (Pvt) Ltd, the flagship of the B.P. de Silva Group's tea business based in Sri Lanka.

Mr Amarasuriya holds a Diploma in Gemmology from the Gemmological Institute of Germany in Idar, Oberstein. He also has a Diploma in Diamond Grading from the Institute of Advanced Training, Koenigstein.

Board of Directors

05 Tan Sri Amirsham A Aziz

Independent Non-Executive Director

Tan Sri Amirsham A Aziz, aged 61, joined the Board on 18 August 2011.

Tan Sri Amirsham is currently an independent non-executive director and audit committee member of Lingui Developments Berhad (listed on the Bursa Malaysia Securities Berhad) and Samling Global Limited (listed on The Stock Exchange of Hong Kong Limited).

Tan Sri Amirsham served as the President and CEO of Malayan Banking Berhad (Maybank) from 1994 to 2008. He retired from Maybank in March 2008. Prior to his retirement, he was appointed Minister in the Prime Minister's Department to head the Economic Planning Unit and Department of Statistics, Malaysia from March 2008 to April 2009. Subsequently he was appointed as Chairman of the National Economic Advisory Council on 1 June 2009, a position he held until 31 May 2011.

In 2008, Tan Sri Amirsham was awarded the Asian Bankers Lifetime Achievement Award in recognition of his outstanding leadership in financial services, and he was inducted into the Global Hall of Fame by the International Association of Outsourcing Professionals in 2009.

Tan Sri Amirsham holds an Honours degree in Economics from the University of Malaya. He is a Certified Public Accountant.

06 Dr Loo Choon Yong

Independent Non-Executive Director

Dr Loo Choon Yong, aged 62, joined the Board on 30 October 2009 and was last re-elected as Director at CMA's Annual General Meeting on 12 April 2010. He is also Chairman of Executive Resource and Compensation Committee and Nominating Committee and a member of Investment Committee.

Dr Loo is the Executive Chairman of Raffles Medical Group Ltd (listed on the SGX-ST), one of Singapore's leading private integrated healthcare providers. He co-founded the Raffles Medical Group in 1976 and was appointed to his current position in 1989. Dr Loo holds a number of directorships in several companies, including International Medical Insurers Pte. Ltd. and Raffles Hospital Pte Ltd. Dr Loo was appointed by the President of Singapore as the Non-Resident Ambassador to the Italian Republic. He chairs the Sentosa Development Corporation and Sentosa Golf Club. He is a member of the Board of Trustees of Singapore Management University. He is the Chairman of the Asian Medical Foundation Ltd.

Dr Loo was a Nominated Member of the Singapore Parliament from January 2005 to May 2006 and again from January 2007 to June 2009. He was the former Deputy Chairman of the Action Community for Entrepreneurship, a public-private collaboration to promote entrepreneurship in Singapore. He also served as a member of the Singapore Government Economic Review Committee (ERC) and Chairman of the ERC's Healthcare Services Working Group. He was a member of the Board of Trustees of Chinese Development Assistance Council.

In the area of social service, Dr Loo had been active in the fight against drug abuse and was the former chairman of National Council Against Drug Abuse and President of Singapore Anti-Narcotic Association.

Besides his medical training, Dr Loo also read Law at the University of London and is a barrister of Middle Temple.

Dr Loo was awarded the Singapore National Day Awards Public Service Medal (2003) and Public Service Star (2009) and the Distinguished Service Award (2005) from the Ministry of Home Affairs for his contributions to Singapore's fight against drug abuse.

Dr Loo was conferred the CEO of the Year award in May 2010 at the Singapore Corporate Awards organised by The Business Times and supported by Singapore Stock Exchange.

07 Mrs Arfat Pannir Selvam

Independent Non-Executive Director

Mrs Arfat Pannir Selvam, aged 66, joined the Board on 30 October 2009 and was last re-elected as Director at CMA's Annual General Meeting on 12 April 2010. She is also a member of Corporate Disclosure Committee and Nominating Committee.

Mrs Selvam is presently the Managing Director of Selvam LLC, a corporate finance law practice and its joint law venture, Duane Morris & Selvam LLP. With over 40 years in legal practice as a corporate finance lawyer, Mrs Selvam has been involved in some landmark Singapore M&A transactions.

Mrs Selvam was the President of the Law Society of Singapore in 2003. She was also a member of the Senate of the Academy of Law, the Board of Legal Education and the Board of the Accounting and Corporate Regulatory Authority. She is a Fellow of the Singapore Institute of Directors. She is also a Director of CapitaLand Limited (listed on the SGX-ST) and Singapore Health Services Pte. Ltd.

Mrs Selvam serves the community through her participation as President of the Muslim Financial Planning Association, member of the Executive Committee of Breast Cancer Foundation and member of the Board of Trustees of Rahmatan Lil'Alamin Foundation Ltd. She is also Chairman of the Law Society of Singapore Pro Bono, Management Committee.

Mrs Selvam is a graduate of the University of Singapore and was admitted to practise as an Advocate & Solicitor of the Supreme Court of Singapore in 1969.

08 Professor Tan Kong Yam

Independent Non-Executive Director

Professor Tan Kong Yam, aged 56, joined the Board on 30 October 2009 and was last re-elected as Director at CMA's Annual General Meeting on 12 April 2010. He is also a member of Audit Committee and Investment Committee.

Professor Tan is Professor of Economics at the Nanyang Technological University in Singapore. He is also an advisor to CapitaLand Limited (listed on the SGX-ST) on its investments in China. He is currently a director of Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd.

From 1988 to 2005, Professor Tan was with the National University of Singapore (NUS) where he served as the head of Department of Business Policy at the NUS business school. From July 1999 to June 2002, he served as the chief economist of the Government of Singapore at the Ministry of Trade and Industry. From July 2002 to July 2005, he was a senior economist at the Beijing office of the World Bank and advised the State Council in China on the eleventh five year plan (2006-2010) as a member of the World Bank expert group in 2004.

Professor Tan graduated from Princeton University in 1979 with a degree in economics. He also holds a PhD degree in economics from Stanford University. Prior to joining NUS, Professor Tan has worked at the World Bank and the Ministry of Trade and Industry in Singapore.

Professor Tan has served as a board member of the Singapore Central Provident Fund Board from 1984 to 1996.

Board of Directors

09 Mr Yap Chee Keong

Independent Non-Executive Director

Mr Yap Chee Keong, aged 51, joined the Board on 30 October 2009 and was last re-elected as Director at CMA's Annual General Meeting on 12 April 2010. He is also Chairman of Audit Committee and a member of Finance and Budget Committee.

Mr Yap is the Lead Independent Director of The Straits Trading Company Limited (listed on the SGX-ST) and an independent non-executive director of Hup Soon Global Corporation Limited (listed on the SGX-ST) and is the Chairman of their audit committees. He is also the Chairman of CityNet Infrastructure Management Pte. Ltd. and also an independent non-executive director of Citibank Singapore Limited, Tiger Airways Holdings Limited (listed on the SGX-ST) and UTAC Holdings Ltd. In addition, he serves as a board member of the Accounting and Corporate Regulatory Authority and as a member of the Public Accountants Oversight Committee. Mr Yap is also a non-executive director of SPI Australia Assets Pty Ltd.

Mr Yap was previously Chief Financial Officer of the Singapore Power Group (SP) where he was also responsible for corporate planning and strategic investments as well as oversight of the overseas investments of SP which included its Australian investments. Prior to SP, Mr Yap worked as the chief financial officer and in other senior management roles in several multinational and listed companies. Mr Yap has 25 years of experience in senior management, strategic planning, merger and acquisitions, corporate finance, treasury, financial management and risk management functions in diverse industries.

Mr Yap holds a Bachelor of Accountancy from the National University of Singapore and is a Fellow of the Institute of Certified Public Accountants of Singapore and CPA Australia.

10 Mr Lim Beng Chee

Chief Executive Officer and Executive Director

Mr Lim Beng Chee, aged 44, joined the Board on 1 November 2008[1] and was last re-elected as Director at CMA's Annual General Meeting on 21 April 2011. He is also a member of Corporate Disclosure Committee, Finance and Budget Committee and Investment Committee.

Mr Lim is currently a Director of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST), CapitaRetail China Trust Management Limited (the manager of CapitaRetail China Trust listed on the SGX-ST) and CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on the Bursa Malaysia Securities Berhad).

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

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

Present Directorships

As at 31 December 2011, other Directorships held by the Directors are as follows:

Mr Liew Mun Leong

Ascott Residence Trust Management Limited
CapitaCommercial Trust Management Limited
CapitaLand China Holdings Pte Ltd
CapitaLand Commercial Limited
CapitaLand Financial Limited
CapitaLand Financial Services Limited
CapitaLand Hope Foundation
CapitaLand ILEC Pte. Ltd.
CapitaLand Limited
CapitaLand Residential Singapore Pte Ltd
CapitaMall Trust Management Limited
CapitaRetail China Trust Management Limited
CapitaValue Homes Limited
Changi Airport Group (Singapore) Pte. Ltd.
China Club Investment Pte Ltd
Chinese Development Assistance Council (Member, Board of Trustees)
LFIE Holding Limited
NUS Business School (Management Advisory Board Member)
Singapore Exchange Limited
Singapore-China Foundation Ltd.
Surbana Corporation Pte. Ltd.
The Ascott Limited

Ms Jennie Chua

Alexandra Health Pte. Ltd.
Alexandra Health System Pte. Ltd.
Ascott Residence Trust Management Limited
Ascott Serviced Residence (China) Fund
CapitaLand Corporate Investments Pte Ltd
CapitaLand Hope Foundation
CapitaLand ILEC Pte. Ltd.
CapitaValue Homes Limited
Community Chest of Singapore (Chairman)
Cornell-Nanyang Institute of Hospitality Management (Member of Joint Advisory Board)
ISS A/S & ISS World Services A/S
Ministry of Foreign Affairs (Non-Resident Ambassador to The Slovak Republic)
MOH Holdings Pte Ltd
Nanyang Technological University (Director/Trustee)
NYU Tisch School of the Arts Asia, Ltd.
Pas De Deux Holdings Pte Ltd
Prime Minister's Office (Justice of the Peace)
Sentosa Cove Pte Ltd
Sentosa Cove Resort Management Pte. Ltd.
Sentosa Development Corporation (Board Member)
Singapore Chinese Girls' School
Singapore Government (Member of Pro-Enterprise Panel)
Singapore International Chamber of Commerce
Temasek Foundation CLG Limited
The Ascott Limited
The Old Parliament House Limited

Mr Lim Tse Ghow Olivier

Ascott Serviced Residence (China) Fund Management Pte. Ltd.
Ausprop Holdings Limited
Australand Holdings Limited
Australand Investments Limited
Australand Property Limited
Austvale Holdings Ltd
CapitaCommercial Trust Management Limited
CapitaLand AIM Pte. Ltd.
CapitaLand China Holdings Pte Ltd
CapitaLand Commercial Limited
CapitaLand Corporate Investments Pte Ltd
CapitaLand Financial Limited
CapitaLand Financial Services Limited
CapitaLand GCC Holdings Pte. Ltd.
CapitaLand ILEC Pte. Ltd.
CapitaLand Residential Limited
CapitaLand Residential Singapore Pte Ltd
CapitaLand Treasury Limited
CapitaMall Trust Management Limited
CapitaValue Homes Limited
Hotels & Resorts (UK) Limited
Lucid Investments Ltd
Mount Faber Leisure Group Pte. Ltd.
Mubadala CapitaLand Real Estate – LLC
Pulau Indah Ventures Sdn. Bhd.
Raffles Holdings Limited
Raffles Medical Group Ltd
RHL (Management) Pte. Ltd.
RHL Capital Pte. Ltd.
Sentosa Development Corporation (Board Member)
Sentosa Leisure Holdings Pte. Ltd.
Surbana Corporation Pte. Ltd.
The Anglo-Chinese Schools Foundation Limited
The Ascott Limited

Present Directorships

Mr Sunil Tissa Amarasuriya

Amarasuriya Holdings Pte Ltd (Sri Lanka)
Amarasuriya Holdings Pte. Ltd.
ARC Concepts Sdn. Bhd.
Audemars Piguet (Singapore) Pte Ltd
Audemars Piguet Holding SA
B P de Silva (Malaysia) Sdn. Bhd.
B. P. de Silva Ceylon Limited
B P de Silva Investments (Pvt) Limited
B P de Silva Japan Pte Ltd
B P de Silva Jewellers (Pvt) Limited
B.P. de Silva Holdings Pte Ltd
B.P. de Silva Jewellers Pte. Ltd.
B.P. de Silva Private Limited
B.P. de Silva Properties Pte Ltd
C.S. Asia Investments (Private) Limited
Capital Suisse Asia Limited
Crystal Creation Sdn. Bhd.
eBeyonds Pte. Ltd.
Envipure Pte. Ltd.
Envipure Sdn. Bhd.
Gemmological Institute of Colombo (Private) Limited
Gulhivair Holding SA
Hi-Tech Power Systems (Pvt) Ltd.
Lanka Bloom Foundation (Guarantee) Limited
LeBrassus Sdn. Bhd.
Murai Investments Limited
Navitas Systems Pte. Ltd.
PS Ventures Lanka (Private) Limited
PS Ventures Pte. Ltd.
Risis Private Limited
Rusitto Pte. Ltd.
Shingold (Pte.) Ltd.
Silvacos (Private) Limited
Silvador (Private) Limited
Silvador Sdn. Bhd.
Silvaroyal (Colombo) Ltd
Silvaroyal Private Limited
Storch Brothers (1949) Sdn. Bhd.
Sunalps Investments Pte. Ltd.
Sunalps Pte Ltd
Tea Tang (Pvt) Ltd
Tea Tech Services (Private) Ltd
The 1872 Clipper Tea Co. Pte Ltd
Zyrex Power Company Limited

Tan Sri Amirsham A Aziz

Destination Resorts & Hotels Sdn. Bhd.
Lingui Developments Berhad
Petroliam Nasional Berhad
Pulau Indah Ventures Sdn. Bhd.
Samling Global Limited
StarChase Motorsports Limited
Themed Attractions & Resorts Sdn. Bhd.

Dr Loo Choon Yong

Asian Healthcare Capital Management Pte. Ltd.
Asian Medical Foundation Ltd.
International Medical Insurers Pte. Ltd.
Non-Resident Ambassador to the Republic of Italy
Raffles Hospital Properties Pte. Ltd.
Raffles Hospital Pte Ltd
Raffles Medical Group Ltd
Raffles Medical Holdings Pte Ltd
Raffles Medical Properties Pte Ltd
RMG Capital Pte. Ltd.
S&D Holdings Pte. Ltd.
Sentosa Development Corporation (Chairman)
Sentosa Golf Club (Chairman)
Sentosa Leisure Holdings Pte. Ltd.
Singapore Management University (Board of Trustees)
Straits Land Pte Ltd
The Esquire Developments Pte. Ltd.

Mrs Arfat Pannir Selvam

ASA Investment Holdings Pte. Ltd.
CapitaLand Limited
Duane Morris & Selvam LLP
HDFC Asset Management Company (Singapore) Pte. Ltd.
Hope Villages Fund Pte. Ltd.
iGlobe Partners (II) Pte. Ltd.
iGlobe Partners Pte Ltd
Indo Development Corporation Pte. Ltd.
Indo Land Corporation Pte. Ltd.
Muslim Financial Planning Association
Nasdaq OMX (South East Asia & Pacific) Pte. Ltd.
Priya-Roshni Private Limited
Rahmatan Lil Alamin Foundation Ltd.
Selvam LLC
Selvam Corporate Services Pte. Ltd.
Singapore Health Services Pte Ltd

Professor Tan Kong Yam

APS Asset Management Pte Ltd
Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd.

Mr Yap Chee Keong

Accounting & Corporate Regulatory Authority (Board Member)
Citibank Singapore Limited
CityNet Infrastructure Management Pte. Ltd.
Hup Soon Global Corporation Limited
Singapore District Cooling Pte Ltd
SPI (Australia) Assets Pty Ltd
The Assembly of Christians of Singapore Ltd
The Straits Trading Company Limited
Tiger Airways Australia Pty Limited
Tiger Airways Holdings Limited
UTAC Holdings Ltd.

Mr Lim Beng Chee

Albert Complex Pte Ltd
Capita Card Pte. Ltd.
CapitaLand Retail (BJ1) Holdings Pte. Ltd.
CapitaLand Retail (MY) Pte. Ltd.
CapitaLand Retail (SI) Investments Pte. Ltd.
CapitaLand Retail India Pte. Ltd.
CapitaLand Retail Investments (SY) Pte. Ltd.
CapitaLand Retail Japan Investments Pte. Ltd.
CapitaLand Retail Management Pte Ltd
CapitaLand Retail Singapore Investments Pte. Ltd.
CapitaLand Retail Singapore Investments Two Pte. Ltd.
CapitaMall Trust Management Limited
CapitaMalls Asia Treasury Limited
CapitaMalls China Fund Management Pte. Ltd.
CapitaMalls India Fund Management Pte. Ltd.
CapitaMalls Japan Fund Management Pte. Ltd.
CapitaMalls Japan Fund Pte. Ltd.
CapitaMalls Malaysia REIT Management Sdn. Bhd.
CapitaRetail China Trust Management Limited
Clarke Quay Pte Ltd
CMA CapitaStar Pte. Ltd.
CMA Japan Holdings Pte. Ltd.
CMA Singapore I Pte. Ltd.
CMA Singapore Investments (4) Pte. Ltd.
CMA Singapore Investments (5) Pte. Ltd.
CMA Singapore Investments (6) Pte. Ltd.
CMT MTN Pte. Ltd.
ION Orchard Link Pte. Ltd.
JG Trustee Pte. Ltd.
JG2 Trustee Pte. Ltd.
One Trustee Pte. Ltd.
Orchard Turn Developments Pte. Ltd.
Orchard Turn Holding Pte. Ltd.
Orchard Turn Residential Development Pte. Ltd.
Orchard Turn Retail Investment Pte. Ltd.
Plaza Singapura (Private) Limited
Premier Healthcare Services International Pte Ltd
Pyramex Investments Pte Ltd

Senior Management

Our Senior Management Executives are responsible for our day-to-day management and operations. The following table sets forth information regarding our Senior Management Executives.

Mr Lim Beng Chee

Chief Executive Officer and Executive Director

Mr Lim Beng Chee, aged 44, is our Chief Executive Officer and Executive Director. Details of his working experience are set out under the section "Board of Directors" found in page 28.

Mr Ng Kok Siong

Chief Financial Officer

Mr Ng Kok Siong, aged 40, is our Chief Financial Officer. He is also currently the Non-Independent Non-Executive Director of CapitaRetail China Trust Management Limited (the manager of CapitaRetail China Trust listed on SGX-ST) and CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on Bursa Malaysia Securities Berhad). Mr Ng held various positions, including Senior Vice President of CapitaLand Eurasia and Strategic Finance in CapitaLand Limited from 2005 till 2009. Prior to joining CapitaLand, Mr Ng held various finance and investment management positions in the oil and gas industry across Asia Pacific and Europe, having worked for Exxon-Mobil Asia-Pacific and Shell Oil Products East. Mr Ng graduated with a Degree of Bachelor of Accountancy (Honours) from Nanyang Technological University of Singapore.

Mr Simon Ho Chee Hwee

Chief Executive Officer

CapitaMall Trust Management Limited

Mr Simon Ho Chee Hwee, aged 50, is the Chief Executive Officer of CapitaMall Trust Management Limited. Mr Ho joined CapitaLand Financial Limited in 2004 and has around 20 years of experience in real estate investment and management. He was responsible for managing the operations of retail properties in Singapore as well as the operations of the Company's regional retail portfolio in China, Malaysia, Japan and India prior to assuming the Chief Executive Officer post for CapitaMall Trust Management Limited in November 2009.

Prior to joining CapitaLand Financial Limited in 2004, Mr Ho worked in the Ascott Group from 2000 to 2004, holding various positions including Vice President, Business Development and Senior Vice President, Operations. As Senior Vice President in CapitaLand Financial Limited, he was in charge of research and marketing. In September 2004, Mr Ho was appointed Chief Operating Officer, Retail of CapitaLand Commercial Limited where he was responsible for overseeing the operations of the Company. He was the Chief Operating Officer of our Company from October 2004 to December 2008 before being appointed as the Deputy Chief Executive Officer of our Company in January 2009 and had stepped down upon the listing of our Company on the SGX-ST. Mr Ho holds a Master of Science (Real Estate) and a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore.

Mr Wilson Tan Wee Yan

Deputy Chief Executive Officer

CapitaMall Trust Management Limited

Mr Wilson Tan Wee Yan, aged 54, is the Deputy Chief Executive Officer of CapitaMall Trust Management Limited. Mr Tan has over 25 years of experience in senior appointments in the telecommunication and information technology industries. Most recently, Mr Tan was the Group Chief Executive Officer at Singapore Post Limited. His other experiences prior to joining Singapore Post Limited includes advisory and leadership roles in companies with regional businesses i.e. NEC Solutions Asia Pacific, Mercury Interactive, Software AG, Informix, Apple Singapore and Xerox Singapore. Mr Tan is currently the Chairman of EZ Link Pte Limited and he has also served in various boards and advisory committees in private and government-related organisations.

Mr Tan holds a Bachelor of Arts degree from the National University of Singapore.

Mr Lock Wai Han

Chief Executive Officer, China

Mr Lock Wai Han, aged 44, is the Chief Executive Officer of China operations for the Company. Mr Lock has over 20 years of experience in various capacities in the Singapore Civil Service. Prior to joining the Company, Mr Lock was the Deputy Secretary (Industry & the Arts) at the Ministry of Information, Communications and the Arts, Singapore.

He holds a Master of Arts and a Bachelor of Arts from the University of Cambridge, United Kingdom and a Master of Science in Management from the Leland Stanford Junior University, the United States.

Mr Tony Tan Tee Hieong

Chief Executive Officer

CapitaRetail China Trust Management Limited

Mr Tony Tan Tee Hieong, aged 44, is the Chief Executive Officer of CapitaRetail China Trust Management Limited. Mr Tan has over 19 years of experience in international treasury, finance and risk management. Prior to joining CapitaRetail China Trust Management Limited, Mr Tan was with IKEA for more than nine years, where he held positions as Treasurer and Finance Manager for Asia Pacific region. During those tenures, he also concurrently sat on IKEA's finance committee for Asia Pacific that oversaw the group's strategic finance and tax matters. His other experiences prior to joining IKEA includes Treasury Accountant for Wearnes International, the trading and distribution arm for WBL and various trading positions with international banks. Mr Tan holds a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom, and a Bachelor of Accountancy degree from the National University of Singapore.

Ms Sharon Lim Hwee Li

Chief Executive Officer

CapitaMalls Malaysia REIT Management Sdn. Bhd.

Based in Kuala Lumpur, Malaysia, Ms Sharon Lim Hwee Li, aged 39, is the Chief Executive Officer of CapitaMalls Malaysia REIT Management Sdn. Bhd. (CMRM), the manager of CapitaMalls Malaysia Trust (CMMT). She joined the board of CMRM on 15 April 2010 and is also a member of its executive committee. Prior to her position as Chief Executive Officer and Non-Independent Executive Director of CMRM, Ms Lim was Country Head for the Company's operations in Malaysia, and was instrumental in establishing the Company's retail platform in Malaysia. This involved steering Gurney Plaza, Sungei Wang Plaza and The Mines and building the local team in preparation for expansion. Before this appointment, she was a Vice President of CapitaMall Trust Management Limited in Singapore, identifying and evaluating new retail investment opportunities. Ms Lim holds a Master of Business Administration from Murdoch University and a Bachelor of Business (Distinction) degree from the Royal Melbourne Institute of Technology, Australia.

Mr Simon Yong Kam Yuen

Chief Development Officer

Mr Simon Yong Kam Yuen, aged 55, is our Chief Development Officer. Mr Yong is responsible for all regional retail development and asset enhancement projects under our Company's portfolio. He leads the project management and design management team to align the project design, planning and execution to meet the strategic and business objectives of our Company. Mr Yong has over 30 years of experience in property design, management and development. He holds a Bachelor of Engineering (Mechanical) with First Class Honours from the National University of Singapore and a Master of Science (Industrial Engineering) from the National University of Singapore.

Mr Toh Kim Sai

Deputy Chief Development Officer

Mr Toh Kim Sai, aged 47, is our Deputy Chief Development Officer. Mr Toh has more than 20 years of experience in asset enhancement projects and assists the retail project teams in Singapore, China, India and Japan to create greater asset value through design and project management. He also heads the Research & Development initiatives which aim to facilitate innovations in product development as well as process improvements. A former ASEAN Scholar, he holds a Bachelor of Arts (Architectural Studies) and Bachelor of Architecture (Honours) from the National University of Singapore, and a Master of Science (Management of Technology) from the Massachusetts Institute of Technology, USA. He is a certified Project Management Professional by the Project Management Institute, USA and is a council member of the Society of Project Managers, Singapore. He has also completed the Executive Development Programme at Wharton, University of Pennsylvania, USA.

Mr Kevin Chee Tien Jin

Country Head, India

Based in Bangalore, India, Mr Kevin Chee Tien Jin, aged 43, is our Country Head of India. Mr Chee's experience is in finance and real estate. Prior to joining the Company, he was the Senior Vice President, Asset Management in YTL Pacific Star REIT Management Limited (the manager of Starhill Global REIT which is listed on SGX-ST), responsible for the strategic management of Starhill Global REIT's portfolio of assets across Singapore and Japan.

Mr Chee graduated with a Bachelor of Business (Honours) in Banking from Nanyang Technological University, Singapore in 1992.

Mr Kek Chee How

Country Head, Japan

Based in Tokyo, Japan, Mr Kek Chee How, aged 40, is our Country Head of Japan. Mr Kek has over five years of experience in real estate investment management, financing, and asset management. He was previously Head of Business Development in CapitaLand Retail Management Kabushiki Kaisha. A fluent Japanese speaker, Mr Kek is responsible for asset management, capital management and investments for the Japan Fund. Mr Kek holds a Master of Business Administration from The Wharton School, University of Pennsylvania, USA, and a Bachelor of Science from the Tokyo Institute of Technology, Japan.


CapitaMall Dongguan, Dongguan, China

Cultivating Our Strengths

Corporate Governance

CapitaMalls Asia has adopted and implemented high standards of corporate conduct which are in line with the principles of the Singapore Code of Corporate Governance 2005 (Singapore Code) and has, from 18 October 2011, the date on which the shares of our Company were listed on The Stock Exchange of Hong Kong Limited (HKEx), complied with the Code on Corporate Governance Practices (Hong Kong Code) contained in Appendix 14 of the Rules Governing the Listing of Securities on the HKEx (HKEx Listing Rules), save as otherwise stated in this report. We believe in the need for developing and maintaining sound and transparent policies and practices to meet our specific business needs and to provide a solid foundation for a trusted and respected business enterprise. We remain focused on the substance and spirit of the principles of the Singapore Code and Hong Kong Code while achieving operational excellence and delivering the Group's long term strategic objectives. This report on our corporate governance practices for our financial year 2011 (Report) describes our application of good governance principles in the spirit of our commitment towards integrity, transparency and excellence. This application is underpinned by sound and proactive systems of internal controls and accountability, which we believe promotes and drives long term sustainable growth and value for our shareholders. The following sections outline our policies and practices, with specific reference to each of the principles of the Singapore Code. References to the code provisions of the Hong Kong Code are set out in this Report, as and where applicable.

(A) BOARD MATTERS

Board's Conduct of Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

Our Board comprises a majority of Non-Executive Directors who are independent of Management. 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 our Company's group of companies (Group). At all times, each Director is obliged to act honestly and with diligence, and consider the best interests of our Company.

The key roles of our Board are to:

- Guide the corporate strategy and directions of the Group.
- Ensure that Senior Management discharges business leadership and management with integrity and enterprise.
- Oversee the proper conduct of the Group's business.

The Board regularly deliberates on, among other things, the strategic policies of the Group, including significant acquisitions and monetisations, approving the annual budget, reviewing the performance of the Group's businesses, and approving the release of the quarterly and full-year results after they are reviewed by the Audit Committee (whose composition and role are described below).

To assist the Board in the discharge of its oversight functions, various Board committees, namely the Nominating Committee (NC), Audit Committee (AC), Executive Resource and Compensation Committee (ERCC), Finance and Budget Committee (FBC), Investment Committee (IC) and the Corporate Disclosure Committee (CDC) have been constituted with clear written terms of reference and their actions are reported to and monitored by the Board.

Each of these Board committees operates under delegated authority from the Board. The Board may form other Board committees as dictated by business imperatives. Membership of the various Board committees is carefully managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered. Our Company has also taken steps to ensure that there are appropriate checks and balances between the different Board committees.

The Board has adopted a set of internal controls which establishes approval limits for capital expenditure, investments and monetisations, bank borrowings and minimum signature requirements for cheques at the Board level. Apart from matters that specifically require the Board's approval, the Board approves certain transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board committees. Such transactions include the following:

- Approval of new investments, acquisitions, financing offers and banking facilities.
- Approval of divestments and write-offs of property assets/equity stakes.

- Approval of specific budgets for capital expenditure for development projects, acquisitions and enhancements /upgrading of properties.
- Review of management reports and operating budgets.
- Award of contracts for development projects.

Approval sub-limits are also provided at Management levels to facilitate operational efficiency. This provides Management with clear directions as to the circumstances where the prior approval of the Board is required.

The IC comprises Mr Liew Mun Leong, Mr Lim Tse Ghow Olivier, Dr Loo Choon Yong, Professor Tan Kong Yam and Mr Lim Beng Chee, CEO, and is chaired by Mr Liew Mun Leong. The IC has been delegated the authority by the Board to approve the Group's investments and monetisations, participation in tenders and bids and acceptance of credit facilities from financial institutions and banks. Since 2005, the Board had approved the delegation of some of its authority to the various management committees within strict limits.

As at 31 December 2011, the Board comprised 10 Directors, of whom nine were Non-Executive Directors. They are business leaders and professionals with governmental, financial, banking, trading, real estate, healthcare and legal backgrounds. Profiles of each of the Directors are found on pages 24 to 28 of this Report.

The positions of Chairman and Chief Executive Officer (CEO) are separately held by two persons to maintain effective supervision and accountability at each of the Board and Management levels.

The Chairman of our Board is Mr Liew Mun Leong, who brings with him a wealth of experience from his leadership of, and Board participation in, major global companies such as CapitaLand Limited, of which he is President and CEO. Our CEO is Mr Lim Beng Chee, who also brings with him a wealth of real estate investment and asset management experience, including experience from his previous appointments in various positions within the CapitaLand group of companies (CapitaLand Group). Our only Executive Director is Mr Lim Beng Chee.

The Board also has regular meetings on the key activities and business strategies of the Group. A total of seven Board meetings were held in 2011. Three Project Verification meetings attended by the Board were held in 2011 in relation to the secondary listing of our Company in Hong Kong, and the issuance of bonds by CapitaMalls Asia Treasury Limited, a wholly-owned subsidiary of our Company.

A table of the Board members' participation in the various Board committees is set out on page 40 of this Report. This reflects each Board member's additional responsibilities and special focus in the respective Board committees.

A table showing the attendance record of Directors at Board meetings and Board committee meetings during 2011 is also set out on page 40 of this Report. We believe in the important contributions of our Directors beyond attendance at formal Board and Board committee meetings. To judge a Director's contribution based on his attendance at formal meetings alone would not do justice to his overall contribution, which includes being accessible to Management for guidance or exchange of views outside the formal environment of Board and Board committee meetings.

Changes to regulations and accounting standards are monitored closely by Management. Our Directors are briefed during Board meetings, at specially convened sessions conducted by professionals or via circulation of Board papers on regulatory changes, including any relevant revisions to accounting standards, that have any significant bearing on our Company's or Directors' obligations.

Newly appointed Directors are briefed by Management on the business activities and strategic directions of the Group. Each Director is briefed and provided with a formal letter of appointment setting out his or her duties and obligations. Directors are also briefed and provided with relevant information on our Company's policies and procedures relating to corporate conduct and governance including disclosure of interests in securities, restricted periods for dealings in our Company's securities, restrictions on disclosure of confidential or 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 relevant laws and regulations, and industry-related matters, so as to update them on matters that affect or may enhance their performance as Board or Board committee members.

Corporate Governance

Board Composition and Guidance

Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

As at 31 December 2011, the Board comprised 10 Directors, of whom six are Non-Executive Directors who are independent of Management as well as our substantial shareholders:

Chairman and Non-Executive Director

Mr Liew Mun Leong

Executive Director and Chief Executive Officer

Mr Lim Beng Chee

Non-Executive Directors

Ms Chua Kheng Yeng Jennie
Mr Lim Tse Ghow Olivier

Independent Non-Executive Directors

Mr Sunil Tissa Amarasuriya
Tan Sri Amirsham A Aziz
Dr Loo Choon Yong
Mrs Arfat Pannir Selvam
Professor Tan Kong Yam
Mr Yap Chee Keong

The Independent Non-Executive Directors are expressly identified as such in all corporate communications issued by our Company pursuant to the HKEx Listing Rules.

A Nominating Committee has been established to make recommendations to the Board on all Board appointments and determine a Director's independence. The independence of each Independent Non-Executive Director is reviewed annually by the NC (whose composition and role are described below). Rule 3.13 of the HKEx Listing Rules sets out the (non-exhaustive) guidelines which the HKEx will take into account in assessing the independence of a non-executive director. Our Company has received written annual confirmation from each Independent Non-Executive Director of his independence pursuant to the requirements of Rule 3.13 of the HKEx Listing Rules, and considers Mr Sunil Tissa Amarasuriya, Tan Sri Amirsham A Aziz, Dr Loo Choon Yong, Mrs Arfat Pannir Selvam, Professor Tan Kong Yam and Mr Yap Chee Keong to be Independent Directors under the Singapore Code and the HKEx Listing Rules.

Dr Loo Choon Yong has been an Independent Director of our Company since 30 October 2009. In FY 2011, the Group paid for healthcare insurance and various medical services from companies within the Raffles Medical Group Ltd (RMG) group of companies (RMG Group). RMG is an associate of Dr. Loo. Dr. Loo is the Executive Chairman of RMG and currently owns more than 40% of the shares in RMG. The aggregate amount paid by the Group to the RMG Group in respect of such services for FY 2011 was approximately S$372,000. Our Company nonetheless considers Dr Loo as an Independent Director as such services were provided by the RMG Group in the ordinary course of business and the amounts paid to the RMG Group were on an arm's length basis, based on normal commercial terms. Our Company is also of the view that Dr Loo is able to exercise strong independent business judgement with a view to the best interest of our Company.

Mrs Arfat Pannir Selvam has been an Independent Director of our Company since 30 October 2009. Mrs Selvam is concurrently an Independent Director of CapitaLand Limited. Mrs Selvam is also presently the Managing Director of Selvam LLC, a corporate finance law practice which provided consultancy services to certain companies in the CapitaLand Group from time to time. Mrs Selvam is also the Managing Director of its joint law venture, Duane Morris & Selvam LLP. The aggregate amount paid by the CapitaLand Group to Selvam LLC in respect of such services for FY 2011 was S$6,500. Our Company nonetheless considers Mrs Selvam as an Independent Director as such services were provided by Selvam LLC in the ordinary course of business and the amounts paid to Selvam LLC were on an arm's length basis, based on normal commercial terms. Our Company is also of the view that Mrs Selvam is able to exercise strong independent business judgement with a view to the best interest of our Company. In addition, Mrs Selvam will not participate in Board discussions in relation to any interested person transactions with the CapitaLand Group or any matter that might give rise to a conflict of interest with the CapitaLand Group and shall abstain from voting on such proposals at Board meetings.

Professor Tan Kong Yam has been an Independent Director of our Company since 30 October 2009. Professor Tan has been an adviser to CapitaLand Limited on its investments in China since 2009, and he provides advisory and consultancy services to CapitaLand Limited from time to time. These advisory and consultancy services provided to CapitaLand Limited relate only to macro-economic issues, and do not relate specifically to the principal businesses of our Group or the CapitaLand Group. The aggregate amount paid by the CapitaLand Group to Professor Tan in respect of such services for FY 2011 was S$50,000. Our Company nonetheless considers Professor Tan as an Independent Director as such services were provided by Professor Tan in the ordinary course of business and the amounts paid to Professor Tan were on an arm's length basis, based on normal commercial terms. Our Company is also of the view that Professor Tan is able to exercise strong independent business judgement with a view to the best interest of our Company.

The composition of the Board enables Management to benefit from their external, diverse and objective perspectives on issues brought before the Board. It also enables the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of Chairman and CEO, provides a healthy professional relationship between the Board and Management with clarity of roles and facilitates robust deliberation on the business activities of the Group.

Chairman and Chief Executive Officer

Principle 3:

There should be clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

To ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the roles and responsibilities between the Chairman and CEO are held by separate individuals. The non-executive Chairman, Mr Liew Mun Leong, is responsible for the Board and acts independently in the best interests of our Company and shareholders, while the CEO, Mr Lim Beng Chee, is responsible for the overall operation of the Group's businesses. The Chairman and CEO are not related to each other. There are no financial, business, family and/or other material/relevant relationships among members of the Board.

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 principles and guidelines of the Singapore Code and Hong Kong Code are complied with.

Board Membership

Principle 4:

There should be a formal and transparent process for the appointment of new directors to the Board.

The NC ensures that the Board and Board committees in the Group comprise individuals who are best able to discharge their responsibilities as Directors or, as the case may be, Board committee members, having regard to applicable laws and regulations as well as the highest standards of corporate governance. The NC comprises Dr Loo Choon Yong as the Chairman, Mr Liew Mun Leong and Mrs Arfat Pannir Selvam. The majority of the NC members, including the Chairman, are Independent Non-Executive Directors. In performing its role, the NC is guided by its Terms of Reference which sets out its responsibilities and is aligned to both the Singapore Code and the code provisions of the Hong Kong Code.

The principal responsibilities of the NC under its Terms of Reference include the following:

- Review and recommend candidates for appointments on our Company's Board and Board committees.
- Review and recommend nomination for re-appointment or re-election or renewal of appointment of Directors.
- Review and recommend candidates to be our nominees on the boards and board committees of listed companies and entities within the Group.

The NC sources for candidates who would be able to effectively value add to Management through their contributions in the relevant strategic business areas of the Group and in the constitution of strong and diverse boards. The composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, is determined using the following principles:

- The Board should comprise Directors with a broad range of commercial experience.
- At least one-third of the Board should comprise Independent Directors.

The selection of candidates is evaluated taking into account various factors including the current and mid-

Corporate Governance

Composition of Board and Board Committees

Board Members	Audit Committee	Corporate Disclosure Committee	Executive Resource and Compensation Committee	Finance and Budget Committee	Investment Committee	Nominating Committee
Liew Mun Leong	–	C	M	–	C	M
Jennie Chua	–	–	–	–	–	–
Lim Tse Ghow Olivier	–	M	–	C	M	–
Sunil Tissa Amarasuriya	M	–	M	–	–	–
Tan Sri Amirsham A Aziz[1]	–	–	–	–	–	–
Dr Loo Choon Yong	–	–	C	–	M	C
Arfat Pannir Selvam	–	M	–	–	–	M
Professor Tan Kong Yam	M	–	–	–	M	–
Yap Chee Keong	C	–	–	M	–	–
Lim Beng Chee	–	M	–	M	M	–

Denotes: C=Chairman M=Member
1. Appointed as Director with effect from 18 August 2011.

Attendance Record of Board and Board Committee Meetings

Board Members	Board	Audit Committee	Corporate Disclosure Committee	Executive Resource and Compensation Committee	Finance and Budget Committee	Investment Committee	Nominating Committee	Project Verification Meeting
No. of Meetings Held	7	4	–	2	2	–	–	3
Liew Mun Leong	7	–	–	2	–	–	–	3
Jennie Chua	5	–	–	–	–	–	–	2
Lim Tse Ghow Olivier	7	–	–	–	2	–	–	3
Sunil Tissa Amarasuriya	6	4	–	1	–	–	–	3
Tan Sri Amirsham A Aziz[1]	2	–	–	–	–	–	–	–
Dr Loo Choon Yong	7	–	–	2	–	–	–	–
Arfat Pannir Selvam	7	–	–	–	–	–	–	3
Professor Tan Kong Yam	6	4	–	–	–	–	–	1
Yap Chee Keong	7	4	–	–	2	–	–	3
Lim Beng Chee	7	–	–	–	2	–	–	3

1. Appointed as Director with effect from 18 August 2011.

term needs and goals of our Company as well as the relevant expertise of the candidates and their potential contributions. Thereafter, selected candidates will be recommended to the Board for approval before they can be appointed.

In FY 2011, the NC performed the duties as required under its Terms of Reference. In particular, the NC had recommended to the Board the nomination of Tan Sri Amirsham A Aziz, who was appointed as an Independent Non-Executive Director of our Company on 18 August 2011. We believe that Board renewal is a necessary and continual process for good governance and maintaining relevance to the changing needs of the Group's businesses. The CEO, as a Board member, is also subject to retirement and re-election by shareholders as part of Board renewal.

Election and re-election of Board members is the prerogative and right of shareholders.

Code provision A.4.1 of the Hong Kong Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election. Although none of the Non-Executive Directors of our Company are appointed for a specific term, our Company's Articles of Association require every Director to retire once every three years and for this purpose, one-third of its Directors (prioritised by length of service since previous re-election or appointment) to retire and subject themselves to re-election (one-third rotation rule) by shareholders at every Annual General Meeting (AGM). This effectively means that no Director will remain in office for more than three years without being re-elected by shareholders. In addition, any newly-appointed Director (whether as an additional Director or to fill a casual vacancy) 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.

The CEO, as a Board member, is also subject to the one-third rotation rule. His role as CEO is separate from his position as a Board member, and does not affect the ability of shareholders to exercise their right to select all Board members.

Directors who are above the age of 70 are also statutorily required under the Singapore Companies Act, Chapter 50 to seek re-appointment at each AGM.

Board Performance

Principle 5:

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

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

The financial indicators, set out in the Singapore Code as guides for the evaluation of the Board and its Directors, are in our opinion more of a measurement of Management's performance and therefore less applicable to Directors. In any case, such financial indicators provide a snapshot of a company's performance, and do not fully measure the sustainable long term wealth and value creation of our Company.

A more important consideration is that 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 in the interests of the Group. Contributions by an individual Board member can also take other forms, including providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to management outside of a formal environment of Board and/or Board committee meetings.

Reviews of Board performance as appropriate are informal. 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 medium term needs of our Company and its business.

Access to Information

Principle 6:

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

The Board is provided with timely, complete, adequate and reliable information (including the agenda and relevant documents) to enable them to make an informed decision and to discharge their duties as Directors, prior to Board meetings and as and when the need arises. Further information will be provided if any Director so requests. The Directors have access to our Company's records, such as Board papers and related materials, and minutes of Board meetings and Board committee meetings. New Board members are fully briefed on the businesses of the Group.

Management provides adequate and timely 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 our Company, such as quarterly management financial reports. Where a physical Board meeting is not possible, the Articles of Association of our Company allow Directors to convene meetings by teleconferencing or videoconferencing. 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 is entitled to have 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 Directors and Senior Management. The Company Secretary attends Board meetings. The Board, whether in respect of individual Directors or as a group, is also entitled to have access to independent professional advice where appropriate.

Corporate Governance

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

The AC must also meet the external and internal auditors separately at least once a year, without the presence of the CEO and the Senior Management, in order to have unfettered access to any information that it may require.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7:

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8:

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Disclosure on Remuneration

Principle 9:

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remunerative policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

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 development of management bench strength and key executives to ensure continual development of talent and renewal of strong and sound leadership for the continued success of the business and our Company.

Our Company's ERCC plays a crucial role in helping to ensure that we are able to recruit and retain the best talents to drive the Group's businesses forward. It oversees executive compensation and development in our Company.

The ERCC comprises Dr Loo Choon Yong as the Chairman, Mr Liew Mun Leong and Mr Sunil Tissa Amarasuriya. All the members of the ERCC are Non-Executive Directors, the majority of whom, including the Chairman, are independent. Outside members may be co-opted into the ERCC to provide a global perspective of talent management and remuneration practices.

The ERCC is guided by its Terms of Reference which is aligned to both the Singapore Code and the code provisions of the Hong Kong Code. The principal responsibilities of the ERCC under its Terms of Reference include the following:

- Approve the remuneration framework for Non-Executive Directors.
- Establish compensation policies for key executives.
- Approve salary reviews, bonus and incentives for key executives.
- Approve share incentives and share ownership for executives.
- Approve key appointments and review succession plans for key positions.
- Oversee the development of key executives and younger talented executives.

The ERCC aims 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 our Company.

The ERCC conducts, on an annual basis, a succession planning review of the CEO and selected key positions in our Company. Potential internal and external candidates for succession are reviewed in the light of immediate, medium term and longer term needs.

The ERCC is entitled to seek access to expert professional advice on human resource matters whenever there is a need to consult externally and has been given sufficient resources to enable it to discharge its functions. In its deliberations, the ERCC takes into consideration industry practices and norms in compensation. The CEO is not present during the discussions relating to his own compensation and terms and conditions of service, and the review of his performance. The CEO will be in attendance when the ERCC discusses policies and compensation of his senior team and key staff, as well as major compensation and incentive policies such as the performance share plan and restricted stock plan framework for bonus, staff salary and other incentive schemes. Two ERCC meetings were held in 2011.

In FY 2011, the ERCC performed the duties as required under its Terms of Reference. In particular, the ERCC had reviewed and approved the remuneration plan for the CEO and Non-Executive Directors for FY 2011.

The CEO as an Executive Director does not receive director's fees. He is the lead member of Management. His compensation consists of his salary, allowances, bonuses and share awards pursuant to our Company's Performance Share Plan and Restricted Stock Plan. The latter is conditional upon him meeting certain performance targets. The details of his compensation package are found in the Other Information section of this Report (Other Information).

Non-Executive Directors receive Directors' fees comprising retainer and attendance fees which are payable by way of cash and shares. 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. Details of the breakdown are found in the Other Information. Directors' fees for Non-Executive Directors are subject to the approval of shareholders at each AGM of our Company.

Our key executives have remuneration packages consisting of salaries, allowances, bonuses and share awards pursuant to our Company's Performance Share Plan and Restricted Stock Plan.

We have disclosed the names and remuneration of our Directors and at least the top five executives (who are also not Directors) at pages 188 to 190. There were no employees who were immediate family members of a Director or the CEO, and whose remuneration exceeded S$150,000, during 2011.

A separate Remuneration Report is not prepared as most of the information is found in the Other Information. Details of the employee share schemes are given in the Directors' Report on page 92.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10:

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

In presenting the annual financial statements and the quarterly and annual financial statements announcements to shareholders, the Board aims to provide shareholders with a balanced, clear and understandable assessment of our Company's and the Group's performance, position and prospects. In order to achieve this, Management periodically provides the Board with management accounts to enable the Directors to keep abreast of the Group's financial performance, position and prospects.

The Directors acknowledge their responsibility for the preparation of the financial statements of our Company for the year ended 31 December 2011. The Directors are responsible for overseeing the preparation of financial statements of our Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of our Group and that relevant statutory and regulatory requirements and applicable accounting standards are complied with.

Our Company believes in conducting itself in ways that deliver maximum sustainable value to our shareholders. Best practices are promoted as a means to build an excellent business for our shareholders and our Company is accountable to shareholders for its performance.

Our Company also believes that the separation of the roles of the Chairman and the CEO, and the holding of such appointments by separate individuals, ensures effective supervision of Management and maintenance of accountability of the Board to the shareholders, and of Management to the Board.

Prompt fulfilment of statutory reporting requirements is but one way to maintain shareholders' confidence and trust in the capability and integrity of our Company.

Audit Committee

Principle 11:

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

In line with the Singapore Code and the Hong Kong Code, our Company's internal policy requires the AC to have at least three members, all of whom must be non-executive and the majority must be independent.

The AC consists of three Directors. Mr Yap Chee Keong, Chairman of the AC, and the other two members, Mr Sunil Tissa Amarasuriya and Professor Tan Kong Yam, are all Independent Non-Executive Directors. The members bring with them invaluable managerial and professional expertise in the financial and corporate finance domains.

The AC is guided by its Terms of Reference which defines its scope of authority and is aligned to both the Singapore Code and the code provisions of the Hong Kong Code. Under these Terms of Reference, the principal responsibilities of the AC include the review of the annual audit plan, adequacy of the internal audit process, results of audit findings and Management's response, adequacy and effectiveness of internal controls, as well as interested person transactions.

The AC will also review the Group's quarterly and full-year results and the appointment and re-appointment of auditors before recommending them to the Board for approval. The AC will also approve the compensation of the external auditors, as well as consider the nature and extent of non-audit services and their potential impact on the independence and objectivity of the external auditors.

The AC also reviews internal arrangements designed to enable employees of our Company to raise concerns, in confidence, on possible improprieties in matters of financial reporting or other matters. Pursuant to this, the Board has introduced a Whistle Blowing Policy where staff may raise improprieties to the AC Chairman in good faith, with the confidence that employees making such reports will be treated fairly and be protected from reprisal.

The AC meets with the external and internal auditors, without the presence of Management, at least once a year to discuss the reasonableness of the financial reporting process, the system of internal control, and the significant comments and recommendations by the auditors. The aggregate amount of audit fees paid and payable by the Group to the external auditors for FY 2011 was approximately S$1,668,000, of which audit fees amounted to approximately S$653,000 and non-audit fees (in relation to tax advisory services and services provided as reporting accountant in connection with the secondary listing of our Company in Hong Kong and the euro-medium term note programme established by CapitaMalls Asia Treasury Limited, a wholly-owned subsidiary of our Company) amounted to approximately S$1,015,000.

The AC has been given sufficient resources to enable it to discharge its functions. In FY 2011, the AC performed the duties as required under its Terms of Reference. A total of four AC meetings were held in 2011. In particular, the AC has:

- Reviewed and discussed the Group's financial statements and announcements of the quarterly and half year results in 2011 and full year results for 2010.
- Reviewed and approved the audit plans submitted by both the internal and external auditors of our Company for 2011.
- Met with the internal and external auditors of our Company without the presence of Management, and reviewed and discussed their findings and recommendations in relation to internal controls and annual audit results findings for the Group.
- Reviewed the non-audit services provided by KPMG LLP, the external auditors to the Group, to ensure that the nature and extent of such services would not, in the AC's opinion, affect the independence of the external auditors.

Internal Controls

Principle 12:

The Board should ensure that Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

Internal Audit

Principle 13:

The company should establish an internal audit function that is independent of the activities it audits.

During FY 2011, the Board conducted a review of the effectiveness of the internal control system of our Company and its subsidiaries, including financial, operational and compliance controls and risk management of our Company and its subsidiaries.

The Board's review also included the adequacy of resources, qualifications and experience of staff of our Company's accounting and financial reporting function and their training programmes.

Our Company believes that it has in place a robust and effective system of internal controls addressing financial, operational and compliance risks to safeguard shareholders' interests and the Group's assets, and also to manage risks. Apart from the AC, other Board committees may be set up from time to time to address specific issues or risks.

The AC's responsibilities in the Group's internal controls are complemented by the work of the FBC. The FBC comprises Mr Lim Tse Ghow Olivier, Mr Yap Chee Keong and Mr Lim Beng Chee, CEO, and is chaired by Mr Lim Tse Ghow Olivier. The FBC reviews the annual budget and financial policies of the Group. A total of two FBC meetings were held in 2011 to review the financial forecasts and the annual financial plan of the Group. In addition, the FBC reviews and approves updates to the CapitaMalls Asia Group Finance Manual.

Our Company has an established risk identification and management framework. In our 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.

Our Company has a system to consolidate and review the Group's risk register which identifies the key risks facing the Group and the internal controls in place to manage or mitigate those risks. Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the Group. Any material non-compliance or lapses in internal controls together with proposed corrective measures are reported to the AC. The AC also reviews the effectiveness of the measures taken by Management in response to the issues noted by the internal and external auditors. The internal controls are continually being refined by Management.

Based on the framework established and the reviews conducted by the internal and external auditors, the Board opines, with the concurrence of the AC, that there are adequate controls in place within the Group addressing material financial, operational and compliance risks to meet the needs of the Group in their current business environment.

The system of internal control and risk management established by our Company provides reasonable, but not absolute, assurance that our Company will not be adversely 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 internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

The Group has an Internal Audit Department (CMA IA) which reports directly to the AC and administratively to the CEO. The CMA IA plans its internal audit schedules in consultation with, but independently of, the Management and its plan is submitted to the AC for approval at the beginning of each year. The AC also meets with the CMA IA at least once a year without the presence of the Management.

To ensure that the internal audits are performed effectively, CMA IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. CMA IA provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

(D) COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

Principle 14:

Companies should engage in regular, effective and fair communication with shareholders.

Greater Shareholder Participation

Principle 15:

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their view on various matters affecting the company.

Our Investor Relations and Corporate Communications Departments facilitate regular, effective and unbiased communications with our Company's shareholders, analysts, fund managers and the media.

Our Company's results for FY 2011 were released on a timely basis, within 55 days of the end of the financial year.

Our Company has also formed the CDC comprising Mr Liew Mun Leong, Mr Lim Tse Ghow Olivier, Mrs Arfat Pannir Selvam and Mr Lim Beng Chee, CEO, and which is chaired by Mr Liew Mun Leong. The CDC reviews the promptness and comprehensiveness of corporate disclosure issues and key announcements made to the SGX-ST and the HKEx. It ensures the adoption of good corporate governance and best practices in terms of transparency to shareholders and the stakeholders.

Our Company supports the principle of encouraging shareholder participation. Apart from receiving the annual report in a CD format and notice of the AGM, shareholders are also notified of these announcements as advertised in the press and issued via SGXNET and the website of the HKEx. At the AGM and reception thereafter, shareholders are encouraged to communicate their views and discuss with the Board and Management matters affecting our Company. The respective Chairpersons of the Board, AC, NC and ERCC, and the external auditors, would usually be present at the AGM. Voting in absentia and by email may only be approved by the Board subject to 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. To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. Where voting at any general meeting is conducted by way of a poll, the chairman of the meeting, with the assistance of our staff and service providers engaged by our Company, will brief shareholders to familiarise them with the detailed procedures involved in conducting a poll.

Our Company continues to reinforce communication with stakeholders and analysts to keep them updated on our financial results as well as our local and overseas corporate activities on a timely and consistent basis. In line with the disclosure requirements mandated under the Listing Manual of the SGX-ST and the HKEx Listing Rules, our Company's policy is to communicate relevant information soonest possible where immediate disclosure is not practicable. Regular mall visits, road shows, briefings and meetings for analysts and the media are held throughout the year. In 2011, Senior Management met with close to 500 institutional investors and analysts through group presentations, one-on-one meetings and conference calls. For our half-year and full-year financial results briefings, Senior Management reviews the Group's most recent performance and discusses our Company's outlook. In view of transparency and broad dissemination, these briefings are webcast live and accessible to the public on the Group's website at www.capitamallsasia.com. Materials used in the briefings are published via SGXNET and the website of the HKEx and recordings of the briefings are also archived on the CMA Investor Relations website.

Shareholders and potential investors have 24-hour access to our Company's website which is now available in English and Chinese, including a dedicated Investor Relations link providing our Company's latest announcements and stock details. Through that link, the public is able to post questions via an 'Ask Us' email address. In addition, our Company pursues opportunities to keep its retail shareholders informed through the business media, website postings and other publicity channels.

DEALINGS IN SECURITIES

In line with the best practices outlined under the Listing Manual of the SGX-ST, our Company has issued guidelines to Directors and employees in the Group, which sets out prohibitions against dealings in our Company's securities while in possession of material unpublished price-sensitive information, as well as during two weeks before the release of our Company's results for the first three quarters and one month before the release of our Company's full year results. 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. In addition, the Directors and employees of the Group are discouraged from dealing in the Company's securities on short-term considerations.

Code provision A.5.4 of the Hong Kong Code stipulates, *inter alia*, that the Board should establish written guidelines on no less exacting terms than the Model Code set out in Appendix 10 of the HKEx Listing Rules (Model Code) for relevant employees in respect of their dealings in the securities of the issuer. In view of our Company's secondary listing on the HKEx, our Company relied on its then existing guidelines on securities transactions while the provisions of the Model Code and modifications of the then existing guidelines were being deliberated. These existing guidelines to Directors and employees in the Group were updated with effect from 10 February 2012, to ensure a more robust framework, which is no less exacting than the required standard set out in the Model Code.

Having made specific enquiry to all Directors, our Company understands that all Directors have complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions, from the date of our Company's secondary listing in Hong Kong, including the requirement that Directors and officers of our Company are not permitted to deal in our Company's shares during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results (or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results), or during the period of 60 days immediately preceding the publication date of the annual results (or, if shorter, the period from the end of the relevant financial year up to the publication date of the results), or when they are in possession of any unpublished price sensitive information on our Company.

Risk Assessment & Management

Risk assessment and management is an integral part of CMA's strategic agenda and operational decision-making process.

CMA maintains a prudent risk profile through a risk analysis framework that identifies and manages all risks accordingly; to either create value for its stakeholders or to mitigate any potentially adverse effects where possible. Potential risks include:

Credit Risk

Credit risk is the risk of financial loss to CMA if a customer or our counterparty fails to meet its contractual obligations. For trade receivables, CMA 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 CMA's tenants from its commercial buildings and retail malls and loans to associates. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

We are also exposed to credit risk with respect to the cash balances we hold in banks although we have taken steps to reduce this exposure by increasing the number of banks with which such balances are held and mainly with regional banks or local branches of international banks.

Development and Construction Risk

The construction and developments of new projects usually take a few years to complete, depending on project size and complexity. There is potential risk that such development and construction projects may not be completed within the anticipated time frame and budget. CMA contains such risk through regular monitoring and progress reviews with senior management on the progress of these projects.

Foreign Exchange Risk

CMA operates internationally and is exposed to various currencies, mainly United States (US) Dollars, Chinese Renminbi, Malaysian Ringgit and Japanese Yen. It maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept at an acceptable level. In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are captured under foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

Interest Rate Risk

CMA's interest rate risk exposure relates mainly to its interest-bearing borrowings. This is managed by maintaining a prudent mix of fixed and floating rate borrowings. CMA actively reviews its debt portfolio, taking into account the investment holding period and nature of the assets. This strategy allows CMA to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. Generally, the interest rate exposure is managed through the use of interest rate swaps and/or fixed rate borrowings.

Financial Instruments

Some of our existing debts and our borrowings in the future may be pegged at floating interest rates, and consequently, the interest cost to us for the floating interest rate debt will be subject to fluctuations in interest rates. In addition, we are, and may in the future be, subject to market disruptions clauses contained in our loan agreements with banks. Such clauses generally provide that to the extent that the banks face difficulties in raising funds in the interbank market, or are paying materially more for interbank deposits than the displayed screen rates, they may pass the higher cost of funds to us.

To mitigate interest rate fluctuations, the use of interest rate swap is used for hedging such financial risk. Speculative derivative transactions are not allowed.

Liquidity and Refinancing Risk

To meet capital, refinancing and operating needs, CMA 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 liquidity management, CMA maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, CMA strives to maintain available banking facilities at reasonable level to its overall debt position. As far as possible, CMA will constantly raise committed funding from both capital markets and financial institutions and balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

Property Risk

Real estate markets are cyclical and significantly affected by global and local conditions, such as government regulations, competition, consumer confidence and demand and supply. Stress testing and scenario analyses are performed, and all financial assumptions of project cash flows are benchmarked to ensure forecasts are objective.

CMA will continue to review its risk management systems and methodologies so as to manage risks proactively, preserve capital and enhance shareholders' value. CMA's key risk management principle remains its endeavour to minimise risk.

Investor Relations

2011 was a volatile year in the stock market as we were faced with the Japan earthquake, European debt crisis and the credit tightening measures in China. Faced with these challenges, CapitaMalls Asia (CMA) embarked on a targeted investor relations roadshow to attract new investors and to keep our current investors abreast with our company's performance and growth plans. Besides tapping into the equity market, we managed to grow our debt investor base both on the institutional and retail front. This year, we launched our inaugural 1-year and 3-year retail bonds which was 1.8 times subscribed. Following the success of our retail bond in 2011, CMA announced the launch of our 10-year retail bonds in January 2012.

In order to diversify our shareholders' base, we travelled to China, Middle East, Canada and Switzerland to attract new investors, in addition to the usual markets like Singapore, Hong Kong, New York and London. We continue to do our quarterly shareholder analysis to understand who our shareholders are and who we should target. During the year, we met with close to 500 investors, out of which, close to 60.0% were new due to our conscientious effort to reach new investors. We also conducted mall visits for more than 80 investors and analysts in the five countries that we operate in. With our successful secondary listing on Hong Kong Exchange in October 2011, we aim to attract more Chinese investors who are not able to invest outside of Greater China.

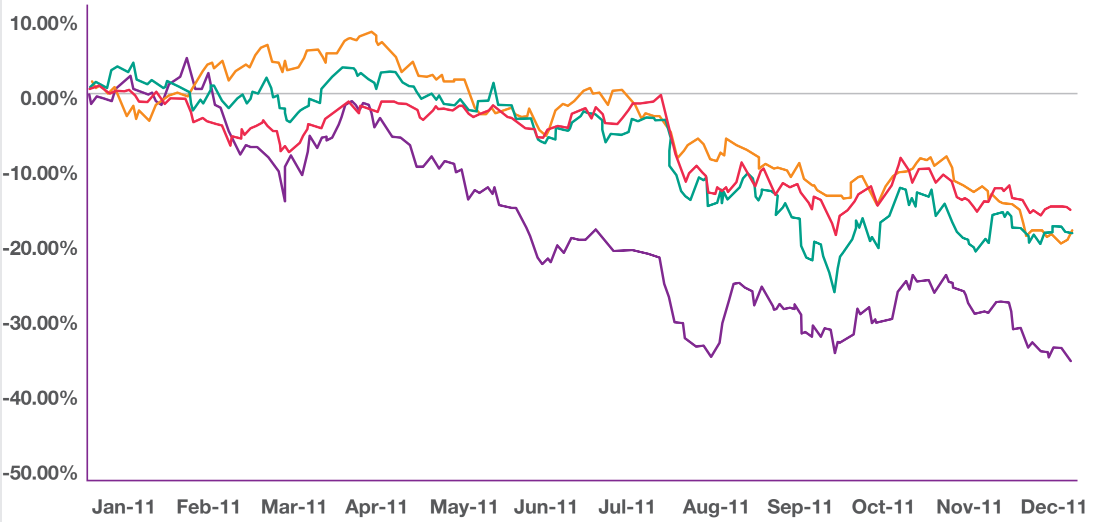
In CMA, we believe in timely and accurate disclosure of our financial results and announcements. Through our English and Chinese investor relations website and an email-blast, our analysts, shareholders and stakeholders have direct access to all our business updates and quarterly results. Using a rigorous investor relations programme to engage our equity and bond investors, we are pleased to share that we were awarded Best for Investor Relations by Asiamoney Corporate Governance Poll 2011.

Key Indices that CMA is Included in:
FTSE Asian Property Index
FTSE EPRA/NAREIT Developed Pure Asia Index
FTSE EPRA/NAREIT Singapore Index
FTSE TOBAM Developed Asia Pacific ex-Japan
FTSE RENAISSANCE Singapore IPO Index
FTSE Global Equity Index Series with Singapore Large Cap Index - Real Estate Holding and Development REITs Index
STI Index - Real Estate Holding & Development REITs Index
FTSE Developed ex-Multinational Singapore - Real Estate and Investment & Services REITs Index
MSCI All Country World Index
MSCI World Index
MSCI Europe, Australasia, Far East (EAFE) Index
MSCI Pacific Index
MSCI All Country Pacific Index
MSCI All Country Far East Index
MSCI All Country Asia Index.
GPR 250 Index
GPR 250 World ex-US Index
GPR 250 Asia Index
GPR 250 Asia ex-Japan Index
GPR 250 Asia Pacific Index
GPR 250 Asia Pacific ex-Japan Index
GPR 250 South-Eastern Asia Index
GPR 250 Singapore Index
GPR General Index
GPR General ex-US Index
GPR General Far East Index
GPR General Far East ex-Japan Index
GPR General Singapore Index
GPR General Quoted Index
GPR General Quoted ex-US Index
GPR General Quoted Far East Index
GPR General Quoted Far East ex-Japan Index
GPR General Singapore Index
S&P Asia Pacific BMI
S&P Global BMI
S&P Asia Property 40 Index
S&P Developed BMI Property Ex REIT

IR CALENDAR

Date	Events for CMA	Company
6 Jan	Media Briefing for Retail Bond Launch	CMA
17 Feb	CMA FY 2010 Results Media & Analysts' Briefing	CMA
17 Feb	CMA FY 2010 Post Results Luncheon with Investors	Daiwa
7 – 8 Mar	Macquarie Hong Kong Non-Deal Roadshow	Macquarie
8 Mar	CapitaLand Bond Conference (Singapore)	CapitaLand
17 – 18 Mar	CICC Beijing Non-Deal Roadshow	CICC
22 – 23 Mar	Credit Suisse AIC HK Conference	Credit Suisse
29 Mar – 1 Apr	China Malls Visits for Media & Analysts	CMA
28 Mar – 7 Apr	Proposed Dual Listing US, London & HK Non-Deal Roadshow	JPM, CICC
21 Apr	CMA Annual General Meeting	CMA
21 Apr	CMA 1Q FY 2011 Financial Results	CMA
25 Apr	CMA 1Q FY 2011 Post Results Luncheon with Investors	Deutsche
12 – 13 May	Australia Non-Deal Roadshow	Macquarie
28 Jun – 4 Jul	Europe and Middle East Non-Deal Roadshow	Macquarie & CS
21 Jul	CMA 1H FY 2011 Media & Analysts' Briefing	CMA
21 Jul	CMA 1H FY 2011 Post Results Luncheon with Investors	Citigroup
23 Jul – 24 Jul	Asian Investment Conference & Exhibition (for retail investors)	SIAS
25 Jul – 30 Jul	London, Canada and US Non-Deal Roadshow	JP Morgan
11 Aug	CMA Debt Investor Luncheon	Standard Chartered
18 – 19 Aug	Hong Kong Non-Deal Roadshow	Deutsche
3 Oct	Media & Analysts' Briefing in HK	CMA
18 Oct	Listing by Introduction on Hong Kong Stock Exchange	CMA
19 Oct	CMA 3Q FY 2011 Financial Results	CMA
20 Oct	CMA 3Q FY 2011 Post Results Luncheon with Investors	Nomura
18 Nov	SGX Debt meets Equity Fixed Income Luncheon	SGX

Share Price %



Shareholder Enquires:

For any enquires on CMA, please contact:
Miss Caroline FONG
Head, Investor Relations
Tel: (65) 6536 1188
Email: ask_us@capitamallsasia.com

Corporate Social Responsibility

As our shopping malls are an integral part of the communities that they serve, CMA is committed to being a responsible corporate citizen and engaging the communities that we operate in. We continued to strengthen our corporate social responsibility (CSR) efforts in 2011.

Caring for Society

"My Schoolbag" is CMA's signature annual CSR programme, under which the company donates schoolbags containing school and daily necessities to underprivileged children. In 2011, My Schoolbag was extended to Malaysia, Japan and India for the first time, expanding CMA's community outreach to children in all the five markets that we operate in. CMA donated more than S$500,000 to nearly 19,000 underprivileged children in the five countries under this programme. This was made possible with funding from CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand.

In Singapore, My Schoolbag benefitted more than 1,000 underprivileged children through CMA's partnership with the South East, North West, Central Singapore, South West and North East Community Development Councils (CDCs), across five of its malls in Singapore – Plaza Singapura, Sembawang Shopping Centre, Junction 8, Lot One and Tampines Mall. Over 500 CMA and CapitaLand staff as well as student and CDC volunteers took part in this meaningful activity.

In China, CMA donated new schoolbags and stationery to more than 17,000 children from over 200 schools in 17 provinces and autonomous regions this year, with more than 450 CMA and CapitaLand staff volunteers participating in the programme.

In Malaysia, CMA and CapitaMalls Malaysia REIT Management Sdn. Bhd. (CMRM), the manager of CapitaMalls Malaysia Trust (CMMT), donated RM150,000 to 600 underprivileged children. Accompanied by over 100 staff volunteers from CMA, the children, who were from 25 charity homes, received school necessities including new schoolbags, stationery and school shoes.

In Japan, children of families which had relocated to Chiba from the tsunami-affected Tohoku area were the beneficiaries of the My Schoolbag event at Vivit Square, Tokyo, where they received welcome relief in the form of new schoolbags, school shoes and stationery items.

In India, 200 children from Government Higher Secondary School in Gandhipura were invited to Forum Value Mall, Bangalore, where they enjoyed the hands-on experience of shopping in the mall and buying school necessities accompanied by staff volunteers, followed by games, lunch and a magic show.

My Schoolbag in China

In addition to My Schoolbag, CMMT, in conjunction with CMA and with funding from CHF, also organised two other philanthropic initiatives in Malaysia – "My Home Sweet Home" and "Rainbow Project" – which contributed over RM95,000 to children-oriented charities, benefitting close to 800 underprivileged children in Malaysia.

For My Home Sweet Home, CMMT donated more than RM62,000 for the refurbishment of three charity homes, namely Yayasan Sunbeams Home in Cheras, Ozanam Home in Petaling Jaya and The Children's Protection Society in Penang. About 100 staff volunteered to help paint walls and murals at these homes.

Rainbow Project, a fundraising initiative in support of two children's homes under the Budimas Charitable Foundation, took place at Gurney Plaza in Penang, Sungei Wang Plaza in Kuala Lumpur and The Mines in Selangor over a period of three months, with CHF matching the funds donated by the public ringgit-for-ringgit. A total of over RM33,000 was raised, which went towards the food and shelter needs of 60 children at these homes.

To encourage residents to show compassion and care for stray and abandoned animals, CapitaMall Saihan in Huhhot, China, organised a Pet Lovers' event. Pets participated in an animal runway show and free pet food was given out as tokens of appreciation to residents who adopted a stray animal. In view of the harsh weather in November, CapitaMall Saihan also embarked on a "Winter Care Donation Drive" – warm clothes and basic necessities were given out to police guards, old folks in nursing homes and deaf and mute children.

Caring for the Environment

As a company committed to protecting the environment, 55 malls across our five markets of Singapore, China, Malaysia, Japan and India took part in Earth Hour 2011, turning off façade and non-essential lights for 10 hours on Saturday, 26 March 2011.

As an extension of CMA and CapitaLand's commitment to Earth Hour 2011, we organised our first ever "Wear Less Day" in Singapore a day earlier. Staff were encouraged to dress down while the air-conditioning temperatures in our workplaces were turned up, to reduce electricity consumption and greenhouse emissions.

CMA also participated in Green for Hope @ CapitaLand, an annual recycling campaign in collaboration with CHF that marries green efforts with philanthropy. In 2011, Green for Hope @ CapitaLand extended its reach to beneficiaries islandwide with its first-time partnership with the CDCs. From 1 January to 30 June, tenants and shoppers were

Artist's impression – CapitaMall Wusheng, Wuhan, China

Corporate Social Responsibility

encouraged to go green by recycling and, in doing so, "earned" donations to benefit underprivileged children. CHF donated S$2 for every kilogramme of recyclable waste collected from participating properties. This initiative not only helped to promote a recycling culture among tenants but also helped to reduce the financial burden of needy families with school-going children.

In 2011, CMA garnered a total of 11 green accolades in Singapore, China, Malaysia and Japan. Including these 11 awards, CapitaMalls Asia has been conferred a total of 22 green awards to date.

In recognition of its green features, design and engineering safety, and construction excellence, JCube in Singapore was conferred the prestigious Green Mark Platinum Award by the Building and Construction Authority, the highest accolade for green building certification in Singapore. To be opened in April 2012, the eco-friendly mall houses Singapore's only Olympic-size ice rink and is fitted with green features such as a grey-water recycling system and a rainwater harvesting tank.

CMA's Green Accolades in 2011:

Development	Country	Rating Achieved	Highlights
JCube	Singapore	Green Mark Platinum	CapitaMalls Asia's first Green Mark Platinum Award
The Atrium@Orchard	Singapore	Green Mark Gold	–
Bugis Junction	Singapore	Green Mark Gold	–
Raff es City Singapore	Singapore	Green Mark Gold	Renewed its Green Mark Certification from Certified to Gold Award
CapitaMall Tianfu	Chengdu, China	Green Mark Gold (Provisional)	–
CapitaMall Jinniu – Phase II	Chengdu, China	Green Mark Certified (Provisional)	–
CapitaMall Wusheng	Wuhan, China	Green Mark Gold (Provisional)	CapitaMalls Asia's first Green Mark Gold Award in China
Gurney Plaza	Penang, Malaysia	Green Mark Gold	First operating mall in Malaysia to receive the Green Mark Gold Award CapitaMalls Asia and CapitaLand's first Green Mark Award in Malaysia
Vivit Square	Tokyo, Japan	CASBEE A	CapitaMalls Asia and CapitaLand's first CASBEE Award in Japan
CapitaMall Xuefu	Harbin, China	Green Mark Certified (Provisional)	–
CapitaMall Aidemengdun	Harbin, China	Green Mark Certified	–

People & Talent Management

People & Talent Management
In CMA, we see the infinite value in people. They are vital in our pursuit of our business growth today and in the future. We see their passion, professionalism and commitment that contribute to the success of our business.

Talent Management
With our business expansion, we are well-poised to meet the resourcing challenges. Our team is constantly strengthened with talents recruited at different transition points in their career path, from fresh graduates to young, mid-career professionals and industry veterans.

Our robust succession planning and talent management strategies support talent cross-fertilisation where employees are given the opportunity to rotate to different malls, functions, cities or countries as part of their career development.

Competitive Compensation and Benefits
We provide a comprehensive and competitive remuneration package that rewards employees on a performance related basis. This includes short-term cash bonuses and long-term equity-based reward plans such as restricted shares for key managers. Regular benchmarking against different markets and innovation in compensation strategies ensure we remain competitive and continue to attract and retain talent.

Developing Our People
In line with our belief that continuous learning is a fundamental building block of growth, we offer comprehensive training and development programmes for employees to acquire relevant knowledge and skills to achieve business excellence. Study visits to overseas malls are also organised for staff to network and gain exposure.

For members of the Senior Management team with proven track record and leadership potential, we partner with CapitaLand Institute of Management and Business (CLIMB) to provide leadership and management programmes to sharpen their management, leadership and business skills. We also offer an online platform for staff in different locations to learn at their own time and pace.

Engaging Our People
As part of our concerted efforts to engage our workforce, we organise regular recreational and teambuilding events to reinforce organisational cohesiveness. Staff communication sessions by senior management are also conducted regularly to keep staff abreast of our financial results and strategic business thrusts.

In CMA, we value our people. We believe our success will be shaped by our people and we will continue to develop our human capital to achieve optimal performance.


CapitaMall Yuhuating, Changsha, China

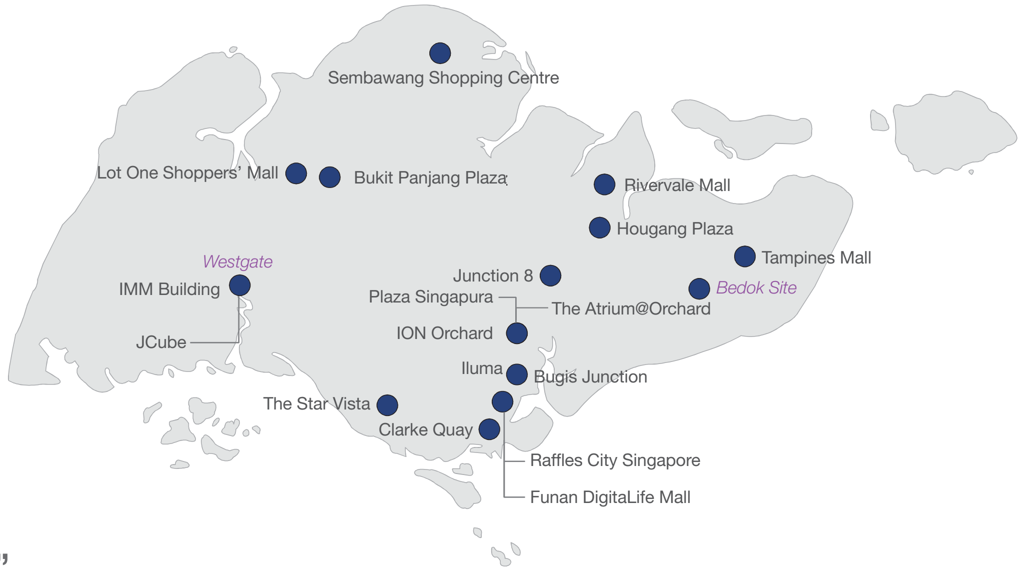
Delivering Returns

Business Review

COUNTRY:

Singapore

"According to the Ministry of Trade and Industry, Singapore's economy is estimated to grow 1.0% to 3.0% in 2012. With the opening of JCube, The Star Vista, The Atrium@ Orchard and the newly integrated Iluma with Bugis Junction, we will be able to excite our shoppers by constantly innovating and staying relevant to our shoppers."



Artist's Impression – Westgate

Total number of retail properties
(including 4 under development[1])

20

Total GFA *(sq ft)*

13.2mil

Total NLA[2] *(sq ft)*

5.7mil

Total property value[3]
(100% basis)

S$14.5bil

NPI yield[4]

5.5%

Occupancy rate[5]

95.9%

In Singapore, we have 16 completed malls and four malls under development[1], with a total GFA of 13.2 million sq ft and NLA of 5.7 million sq ft[2] as at 31 December 2011.

Our malls enjoy strong shopper traffic as they are well-connected to public transportation systems and are strategically located either in areas with large population catchment or within Singapore's popular shopping and tourist destinations. Many of our malls attract a high monthly footfall of between 1.0 million and 3.0 million.

Riding on improved retail sales, we continued to achieve high occupancy rate of approximately 95.9%[5] and had more than 2,800 leases with international and domestic retailers as at 31 December 2011.

In 2011, we continued to leverage on our expertise in extracting value through asset enhancement initiatives (AEIs). In January, we commenced works at The Atrium@Orchard, involving the creation of new shopping space and its seamless integration with Plaza Singapura. Upon completion of the AEI in 2012, the lower levels of The Atrium@Orchard will be linked to Plaza Singapura to form an integrated shopping mall. In January 2012, we completed the first phase of upgrading works in Junction 8 which included the installation of a new facade and a glass canopy that provides seamless transition between Junction 8 and Bishan MRT station as well as the creation of new outdoor seating areas for several existing food & beverage tenants.

2011 was a significant year for us on the acquisition front. In April, we grew our portfolio through CapitaMall Trust (CMT)'s acquisition of Iluma, a mall located directly opposite Bugis Junction. Upon the completion of its ongoing AEI in 2012, Iluma will be integrated with Bugis Junction to create an enlarged and seamless shopping destination with complementary trade mix that will appeal to locals and tourists. In May, together with CMT and CapitaLand, we acquired a development site located in Jurong Lake District, Singapore's largest regional hub. Strategically located beside Jurong East MRT station and bus interchange, the development, known as Westgate will comprise a lifestyle mall and a prime office tower. Together with IMM Building, a value-focused mall, and JCube, an entertainment-focused mall, we will create a "3-in-1" mega mall in Jurong, serving a population of close to one million in the West region. At the same time, we are developing an integrated development comprising a private residential condominium and a shopping mall next to Bedok Town Centre and Bedok MRT station. Despite having launched Bedok Residences in the midst of volatile market conditions in November, the condominium received over-whelming response and is more than 80.0% sold as at 31 December 2011.

Although we are unable to predict how 2012 may unfold with the on-going Eurozone debt crisis and slower growth in US, we expect CMA to ride out the uncertainty with our defensive portfolio and strong retailer network. According to the Ministry of Trade and Industry, Singapore's economy is estimated to grow 1.0% to 3.0% in 2012. With the opening of JCube, The Star Vista, The Atrium@Orchard and the newly integrated Iluma with Bugis Junction, we will be able to excite our shoppers by constantly innovating and staying relevant to our shoppers.

Note
For more details of our properties, please refer to Portfolio Details on page 75.

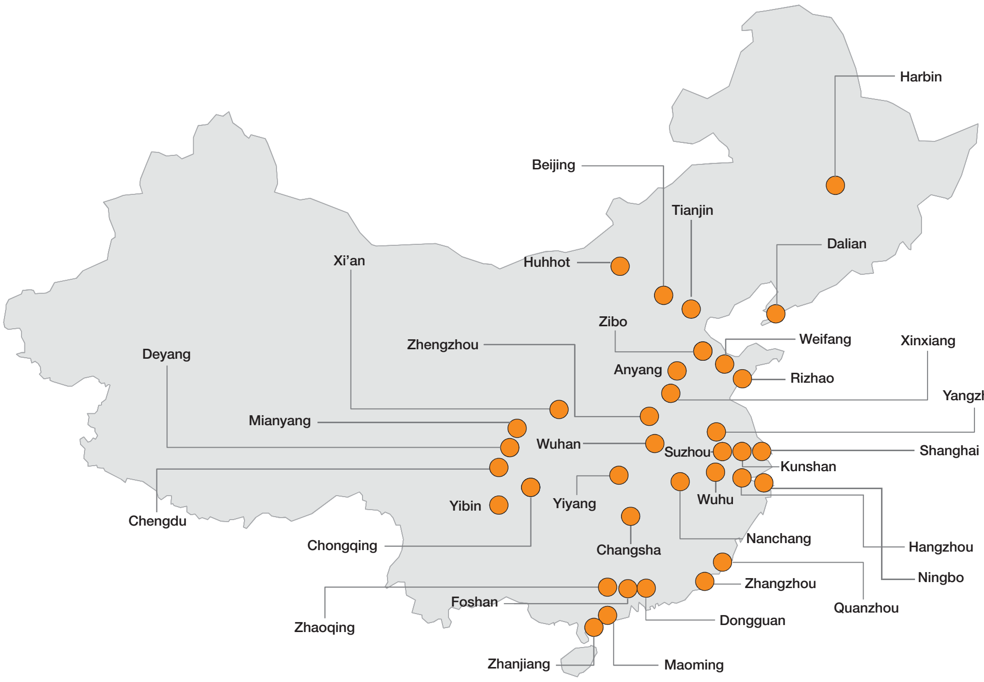
1. Excludes ION Orchard Link.
2. Excludes malls under development as at 31 December 2011.
3. Excludes The Orchard Residences.
4. Refers to weighted average yield of our operational malls, computed by using the NPI for FY 2011, divided by property value as at 31 December 2011.
5. Refers to weighted average committed occupancy rate for operational malls as at 31 December 2011.

Business Review

COUNTRY:

China

"In 2012, we target to open seven malls in China, bringing our total operational malls to 49 across China and will be well-positioned to benefit from China's rapid growth trend."




Hongkou Plaza, Shanghai

Total number of retail properties
(including 14 under development)
56

Total GFA *(sq ft)*
61.1mil

Total NLA *(sq ft)*[2]
20.1mil

Total property value
(100% basis)
S$12.5bil

NPI yield
5.6%

Occupancy rate
97.4%

As at 31 December 2011, we have 56 malls in China, with 42 operational and 14 under development with a total property value of S$12.5 billion and a committed occupancy rate of 97.4%. In 2011, we opened three malls: CapitaMall Crystal, Beijing, Minhang Plaza, Shanghai and Hongkou Plaza, Shanghai. In April, we undertook a rebranding exercise for all our malls in China to 'CapitaMall' to strengthen our corporate brand – CapitaMalls Asia.

Despite the softening of the real estate market following various tightening policy measures implemented by the central government in China, 2011 presented CMA with various opportunistic acquisitions. We capitalised on our strength and deepened our presence into East China with a total of 12 malls. Besides acquiring the remaining 50.0% stakes each in Minhang Plaza and Hongkou Plaza in Shanghai for a total of about S$949.7 million, we embarked on a joint-venture to develop the largest and best-located shopping mall in Suzhou at a total development cost of about RMB6.7 billion. Strategically located in the prime West Jinji Lake Central Business District, the site is surrounded by offices, hotels and high-end residential apartments and will serve an immediate catchment population of about 700,000 in the Suzhou Industrial Park whose Gross Domestic Product (GDP) per capita is 2.5 times more than that of Shanghai.

In addition, CMA and CapitaLand, together with Singbridge Holdings, acquired a mixed development site in Chongqing for RMB6.5 billion in November 2011, bringing our total number of malls in West China to 12. With this acquisition, we have enhanced our foothold in Chongqing which has a population of 33 million and an annual GDP growth of more than 15.0%, well above the national average of 11.2%. Riding on Chongqing's rapid industrialisation and urbanisation, this landmark development, designed by renowned architect Moshe Safdie will comprise a shopping mall, residential, office, serviced residence and hotel.

In 2011, China's retail market continued to grow at a double digit rate, reflecting the country's steady economic growth, rising spending power and rapid urbanisation. China's total retail sales reached RMB18.1 trillion, a 17.1% year-on-year increase with the inflation rate easing from 4.2% in November to 4.1%[1] in December 2011. According to the International Monetary Fund, China's GDP is expected to grow 8.2% in 2012. China's economic growth is underpinned by the growing urban population, increasing affluence of the middle class and corresponding rise in consumer spending power. In 2012, we target to open seven malls in China bringing our total operational malls to 49 across China and will be well-positioned to benefit from China's rapid growth trend.

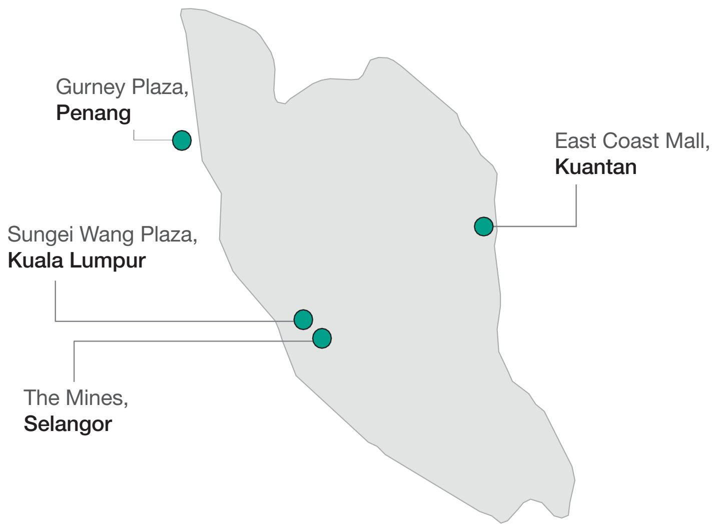
Note
For more details of our properties, please refer to portfolio details on page 75. NPI yield and occupancy take into account all malls that were opened prior to 1 Jan 2010.
1. Source: National Bureau of Statistices of China.
2. Exclude malls under development as at 31 December 2011.

Business Review

COUNTRY:

Malaysia

"Despite the global economic uncertainties in 2012, we are of the view that retail sales in Malaysia will continue to be driven by its robust Gross Domestic Product growth, low unemployment rate, rising disposable income and growing tourism."



East Coast Mall, Kuantan

Total number of retail properties[1]

5

Total GFA *(sq ft)*

4.7mil

Total NLA *(sq ft)*

3.4mil

Total property value
(100% basis)

S$1.4bil

NPI yield

6.5%

Occupancy rate

97.6%

In Malaysia we have five retail assets, which have an aggregate GFA of 4.7 million sq ft[2] and NLA of 3.4 million sq ft as at 31 December 2011. With a committed occupancy rate of 97.6% as at 31 December 2011 and a shopper traffic of 50.1 million[3], our Malaysian shopping malls performed well in 2011. Four of our malls are owned by CapitaMalls Malaysia Trust (CMMT), which is listed on the Main Market of Bursa Malaysia Securities Berhad, and in which we have a sponsor stake of 35.73% as at 31 December 2011.

During 2011, three acquisitions were completed, namely the extension to Gurney Plaza (Gurney Plaza Extension) and an interest in Queensbay Mall in Penang, as well as East Coast Mall in Kuantan, Pahang. Both Gurney Plaza Extension and East Coast Mall were acquired by CMMT, while Queensbay Mall was acquired by CMA via an asset backed securitization vehicle.

Centrally located in Penang Island, Queensbay Mall is the largest mall in Penang. CMA acquired 90.7% of the retail strata area (approximately 916,181 sq ft) and all car park spaces within Queensbay Mall for a purchase consideration of approximately RM651.8 million. Through debt and a placement of units in CMMT, RM223.3 million was raised to acquire Gurney Plaza Extension. This asset is fully integrated with Gurney Plaza and has a complementary tenant mix. The acquisitions of Queensbay Mall and Gurney Plaza Extension significantly strengthen CMA's market leadership in Penang.

A modern family lifestyle mall with an established mix of domestic and international retailers and a high occupancy rate, East Coast Mall is the market leader in Kuantan. This acquisition gave us the opportunity to penetrate the retail sector in Kuantan and provided us with further geographical diversification within Malaysia. Through a well received placement of units in CMMT, RM330.0 million was raised to acquire East Coast Mall.

Despite the global economic uncertainties in 2012, we are of the view that retail sales in Malaysia will continue to be driven by its robust Gross Domestic Product (GDP) growth, low unemployment rate, rising disposable income and growing tourism. We are well-positioned to benefit from this growth as our malls are essentially focused on necessity and day-to-day shopping, which should prove resilient despite the volatile economic climate.

Note

For more details of our properties, please refer to portfolio details on page 75. NPI yield and occupancy take into account all malls that were opened prior to 1 Jan 2010.

1. Gurney Plaza and Gurney Plaza Extension counted as one retail property.
2. Including the car park GFA for East Coast Mall the aggregate GFA for five retail assets is 5.0 million sq ft.
3. Shopper traffic statistics exclude East Coast Mall and Queensbay Mall.

Business Review

COUNTRY:

Japan

"Japan's 2012 economy outlook is expected to continue to improve. We will continue to improve the performance of our assets in Japan, and to work closely with our retailers in Japan to bring them to the other countries that we operate in."

Vivit Square, Tokyo

Total number of retail properties

7

Total GFA *(sq ft)*

1.8mil

Total NLA *(sq ft)*

1.5mil

Total property value *(100% basis)*

S$0.6bil

NPI yield

4.2%

Occupancy rate

93.0%

As at 31 December 2011, we have seven retail assets in Japan, with the occupancy and NPI yield on our Japan portfolio at 93.0% and 4.2% respectively.

Our investment in Japan is via the ¥44.1 billion[1] CapitaMalls Japan Fund Pte Ltd, in which we have a 26.29% stake.

In 2011, CMA signed a Memorandum of Understanding (MOU) with PARCO Co., Ltd to explore business collaborations in China and Japan. This collaboration provides opportunities for PARCO's network of tenants to grow their business beyond Japan.

Japan's economy slowed down this year due to the earthquake and tsunami which impacted the social infrastructure, supply chain and industrial production of the country. Our malls which comply with the strict seismic safety standards were not affected and did not suffer any material structural damage.

The economy has gradually returned to the pre-earthquake levels with the third quarter Gross Domestic Product (GDP) turning positive for the first time in four quarters. Our malls remained stable with tenant sales increasing 0.8% and shopper traffic growing by 2.6% in 2011.

Japan's 2012 economy outlook is expected to continue to improve. We will continue to improve the performance of our assets in Japan, and to work closely with our retailers in Japan to bring them to the other countries that we operate in.

Note

For more details of our properties, please refer to portfolio details on page 75.

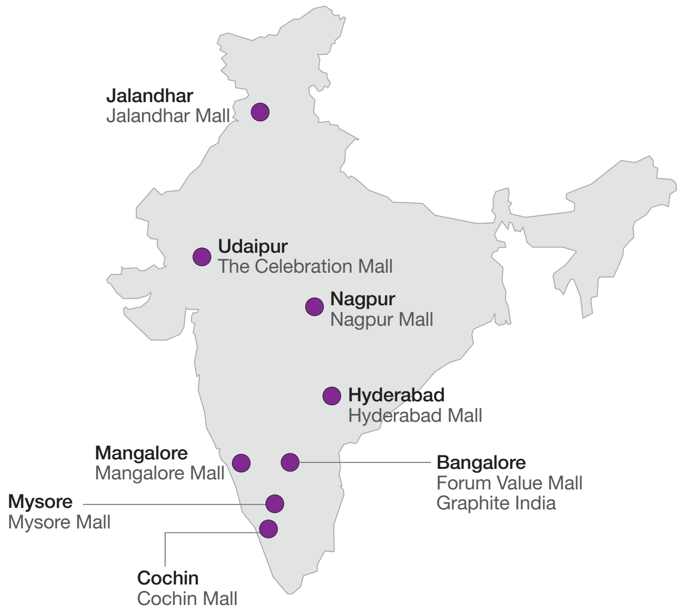
1. CMJF had a total committed capital of ¥44.1 billion.

Business Review

COUNTRY:

India

"GDP growth forecast for 2012 is estimated to be 7.0% compared to 8.5% for the previous year. Despite the slowdown, the potential of India prevails given its burgeoning population of 1.2 billion people, growing middle class and increasing consumerism."



The Celebration Mall, Udaipur

Total number of retail properties
(including 7 under development)

9

Total GFA *(sq ft)*

6.6mil

Total NLA[1] *(sq ft)*

0.3mil

Total property value
(100% basis)

S$0.4bil

NPI yield[1]

7.1%

Occupancy rate[1]

96.2%

CMA's investment in India is through a 45.45% stake in the S$880.0 million CapitaMalls India Development Fund (CMIDF). As at 31 December 2011, we have nine malls in India, two are operational and seven under development. The two operational malls are Forum Value Mall, Bangalore and The Celebration Mall, Udaipur. The latter was completed and successfully opened on 2 July 2011 and received the honour of being rated one of the top 25 malls in India by Franchise India.

The Celebration Mall is the first mall to open in Udaipur and has brought in much awaited brands such as McDonald's, Easyday Hypermarket (a Walmart company) and the first multiplex, PVR Cinema, to the city. The reaction to McDonald's opening was very positive as seen from the high sales generated, large crowds and long queues that cut across all age groups, especially the youth.

CMA has an early-mover advantage in India with our portfolio of nine projects and will continue to expand our presence overtime. Our focus in the coming months will be to advance the construction of our remaining projects under development, especially our projects in Hyderabad and Mangalore which are targeted to open in early 2013.

India's economy grew 6.9% in 3Q 2011, compared with the same period in 2010. GDP growth forecast for FY 2012 is estimated to be 7.0% compared to 8.5% for the previous year. Despite the slowdown, the potential of India prevails given its burgeoning population of 1.2 billion people, growing middle class and increasing consumerism. India's economy is expected to grow faster during the next fiscal year with an improved external environment and a shift in policy focus from containing inflation to growth.

Note
For more details of our properties, please refer to Portfolio Details on page 75.
1. Excludes completed malls that were operational for less than a year as at 31 December 2011.

Performance Review

2011 marked the second full year of operations since CMA's listing in November 2009. The underlying performance from the malls continued to improve with net property income growing between 4.9% and 20.7% (same-mall on 100% basis with same set of malls opened prior to 1 January 2010) in FY 2011 as compared to FY 2010. The better operating performances from the malls coupled with healthy retail sales growth and construction meeting milestones also led to increases in capital values for the Group's property portfolios in Singapore, China and Malaysia. With these positive attributes, CMA Group achieved a profit after tax and minority interests (PATMI) of S$456.0 million for FY 2011.

In 2011, CMA had successfully acquired 8 projects in China and Singapore totalling S$ 3.4 billion and obtained secondary listing on the Main Board of Stock Exchange of Hong Kong Limited on 18 October 2011.

CMA continues to deepen its presence in China with several major acquisitions in major cities. In Suzhou, CMA entered into a conditional agreement with Suzhou Industrial Jinji Lake Urban Development Co., Ltd in the form of 50:50 joint venture arrangement to develop a site in the West Jinji Lake central business district. In Chongqing, CMA, CapitaLand Limited and Singbridge Holdings Pte Ltd jointly acquired the Chao Tian Men site in the heart of Yuzhong District. In Shanghai, CMA also entered into two separate conditional agreements to increase its property interests in Minhang Plaza and Hongkou Plaza to 65.0% and 72.5% respectively, through 50:50 joint ventures with China Incubator Fund and China Income Fund respectively.

In Singapore, CMA acquired Jurong Gateway Site (now renamed "Westgate"), where the interest is held through a 50:30:20 joint venture with CMA, CMT and CapitaLand Limited respectively. Our associates, CMT, CRCT and CMMT have successfully expanded their portfolios through the acquisitions of Iluma in Singapore, CapitaMall Minzhongleyuan in Wuhan; and both Gurney Plaza Extension and East Coast Mall in Malaysia. These acquisitions and investments were part of our strategy to grow our presence in the key markets that we operate in.

The Group actively managed its funding needs while maintaining prudent capital management. During the year, the Group issued S$200.0 million of 1-year and 3-year retail bonds with a combined amount of S$200.0 million. As at 31 December 2011, CMA recorded a strong cash position of S$975.5 million and a low debt equity ratio of 0.04. In January 2012, CMA successfully closed the S$400.0 million 10-year retail bonds offering with strong retail support and CMA now has the funding flexibility as well as balance sheet capacity to continue to grow our business confidently and capitalise on potential acquisition opportunities.

Compared to restated FY 2010 due to INT FRS 115 – agreements for the Construction of Real Estate relating to a jointly controlled entity, FY 2011's PATMI of S$456.0 million was 15.8% lower than restated FY 2010's PATMI of S$541.3 million. The decrease was mainly due to lower profit recognition from The Orchard Residences of S$198.0 million due to the adoption of INT FRS 115 which resulted in full recognition of units sold in 2009 and 2010 under the deferred payment scheme as the project obtained temporary occupation permit in 4Q 2010; one-off provision for Hong Kong listing expenses of S$16.3 million, higher finance costs of S$7.7million, and higher staff costs attributable to an increase in headcount to support the growing business operations of the Group.

The decrease is partially offset by higher fair value gain on properties of S$264.6 million. Excluding effect of restatement of 2010 results due to adoption of INT FRS 115 of S$119.4 million, and the one-off provision for Hong Kong listing expenses of S$16.3 million in FY 2011, the Group's PATMI for FY 2011 would have been S$472.3 million, an increase of 11.9% compared to 2010 previously reported PATMI of S$421.9 million.

Revenue

The Group's revenue for FY 2011 of S$246.2 million was mainly contributed by the Management Fee Business of S$188.2 million and the Investment Business of S$56.2 million. This was in comparison to FY 2010 of S$245.4 million where Management Fee Business contributed S$149.1 million and Investment Business contributed S$94.3 million.

The decrease in contribution relating to Investment business from FY 2010 was largely due to the divestment of the three Malaysia malls to CMMT and Clarke Quay to CMT, partially offset by the acquisition of Queensbay Mall during the year. On the other hand, revenue from Management Fee Business improved from FY 2010 due to higher contributions from fund management, property management and project management. This was in part due to the better performance of the shopping malls and acquisition fees earned as well as asset-enhancement initiatives undertaken by the malls.

Revenue improved by 0.3% to S$246.2 million in the FY 2011 mainly due to rental revenue from Queensbay Mall, higher contributions from the fund management entities and higher property and project management fees. This was partially offset by the divestment of three Malaysia malls to CMMT and Clarke Quay to CMT in 3Q 2010.

Geographically, Singapore, China and Malaysia continue to be the main contributors. The Group will continue with its strategy to grow its presence in these three core markets.

2011 REVENUE BY GEOGRAPHICAL LOCATION *(S$million)*

Singapore	:	104.1
China	:	104.4
Malaysia	:	28.9
Japan	:	4.4
India	:	4.4

2010 REVENUE BY GEOGRAPHICAL LOCATION *(S$million)*

Singapore	:	108.7
China	:	78.7
Malaysia	:	49.5
Japan	:	4.7
India	:	3.8

For Singapore, revenue for FY 2011 was lower mainly due to divestment of Clarke Quay to CMT but partially offset by higher fund management and property management fees.

For China, revenue was 32.7% higher mainly due to higher revenue from project and fund management fees.

For Malaysia, FY 2011 revenue was lower mainly due to the divestment of the three malls to CMMT in 3Q 2010, partially offset by contribution from the newly acquired Queensbay Mall.

Earnings Analysis

The Group's EBIT for FY 2011 of S$601.9 million was mainly contributed by the Investment Business of S$590.7 million and the Management Fee Business of S$63.6 million. This was in comparison to FY 2010 of S$603.4 million with contributions mainly coming from Investment Business and Management Fee Business of S$562.5 million and S$67.1 million respectively.

The increase in EBIT for Investment business from FY 2010 was largely due to the higher fair value gains on properties of S$264.6million but partially offset by the one-off recognition of residential profits from The Orchard Residences of S$198.0 million as a result of the adoption of INT FRS 115. On the other hand, EBIT from Management Fee Business decreased due to higher operating costs largely from an enlarged employee base.

Group EBIT of S$601.9 million in FY 2011 was comparable to 2010's S$603.4 million. This was primarily attributable to higher fair value gain on properties of S$264.6 million but partially offset by lower profit recognition from The Orchard Residences of S$198.0 million due to the adoption of INT FRS 115, one-off provision for Hong Kong listing expenses of S$16.3 million and higher staff costs attributable to an increase in headcount to support the growing business operations of the Group.

For Singapore, FY 2011's EBIT was significantly lower than FY 2010 due to the adoption of INT FRS 115. This was because FY 2010's EBIT included the full recognition of units sold under the deferred payment scheme from The Orchard Residences as the project was completed in 4Q 2010 resulting in a variance of S$198.0 million. This was further weighed down by the provision for Hong Kong listing expenses of S$16.3 million.

For China, the higher EBIT for FY 2011 was mainly due to the higher revaluation gains from the investment properties and properties under development and higher foreign exchange gain, partially offset by higher operating costs as the Group expands its business operations into China.

The higher Malaysia EBIT for FY 2011 was mainly attributable to the dilution gain on CMMT from its recent equity fund raising in 4Q 2011 coupled with contribution from Queensbay Mall and higher fair value gain on investment properties. This was partially offset by lower share of contribution and disposal gain arising from the divestment of the three malls into CMMT.

For Japan, the decrease in EBIT for FY 2011 was mainly due to higher fair value loss on properties and increase in staff cost.

The lower negative EBIT in FY 2011 for India was primarily due to higher revaluation gains recognised on the properties partially offset by increase in staff cost and other mall-related expenses in relation to the opening of malls in India.

Performance Review

Dividends

The Board of Directors is pleased to propose a final dividend of 1.5 cents per share in respect of the financial year ended 31 December 2011. Together with the interim dividend of 1.5 cents per share paid on 16 September 2011, this amounts to a total payout of 3.0 cents per share or approximately S$116.5 million based on the number of issued shares as at 31 December 2011. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For FY 2010 and FY 2009, a first and final dividend of 2.0 cent per share and 1.0 cent per share totalling S$77.7 million and S$38.8 million was approved and paid.

Assets

The Group's total assets as at 31 December 2011 stood at S$8,078.0 million, an increase of S$1,095.8 million, or 15.7% from 2010's total assets of S$6,982.2 million. The increase was mainly due to acquisition of Queensbay Mall, Malaysia, acquisition of Luwan Integrated Development, China; progressive development cost capitalised for The Star Vista, Singapore and CapitaMall Tianfu as well as participation in the upsizing of China Income Fund. In relation to the jointly-controlled entities, CMA has contributed additional shareholder loans to Bedok site and Westgate but partially offset by repayment of shareholder's loan and dividend from Orchard Turn Holdings Pte Ltd.

As at 31 December 2011, certain subsidiaries of the Group pledged assets with aggregate carrying value of S$617.5 million (2010: S$304.4 million) to secure credit facilities or for the issuance of notes.

Borrowings

As at 31 December 2011, the Group's gross debt stood at S$1,229.7 million and cash balance of S$975.5 million. The Group's net debt as at 31 December 2011 was S$254.3 million as compared to a net cash position of S$618.4 million at end 2010. The increase in net debt position was due to increase in investments partially offset by increase in borrowings with draw down of new bank loan and through the issuance of its maiden retail bonds comprising of S$75.0 million 1% 1-year and S$125.0 million 2.15% 3-year retail bonds with an aggregate notional amount of S$200.0 million to retail investors in January 2011. As at 31 December 2011, 85.9% of the Group's borrowings were denominated in Singapore Dollars, 7.5% in Chinese Renminbi and 6.6% in Malaysian Ringgit.

Riding on the successful issuance of the retail bonds in 2011, the Group launched its 10-year, S$400.0 million callable step-up bonds in January 2012 and generated keen interest from retail investors with the initial public offering of S$100 million more than 4 times subscribed.

The launch of the retail bonds offering provided the Group an alternative funding source to augment its existing financing from the banks and capital markets.

Shareholders' Equity

As at 31 December 2011, the Group's equity attributable to shareholders increased by 6.8% from S$5,828.5 million to S$6,227.0 million. The increase arose from the retained profits made by the Group during the year. The Group's net tangible assets per share stood at S$1.60 as at 31 December 2011.

Cash and Cash Equivalents

As of 31 December 2011, we had aggregate cash and cash equivalents of S$975.5 million compared to S$1,318.3 million as of 31 December 2010. The decline in cash balance was mainly attributable to investing activities during the year, notably investments in Singapore and China. The Group's cash and cash equivalents denominated in various currencies can be found under Note 32 to the Financial Statements.

Gearing Ratio

The Group has a gearing ratio of 3.9% as at 31 December 2011, which is calculated on the basis of net debt to total shareholder's equity. Our gearing ratio reflected increased bank borrowings from 2010 to 2011 resulting in a net debt position. We believe that our gearing ratio is acceptable and that we have sufficient funding to service our debt.

Financial Risk Management

The Group and the Company are exposed to market risk, credit risk and liquidity risk arising from its diversified portfolio business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group has implemented risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy. In connection with this, the Group has established a framework and process to monitor the exposures so as to ensure appropriate measures can be implemented in a timely and effective manner. Further details of the Group's financial risk management objectives and policies can be found under Note 32 to the Financial Statements.

Treasury Management

The Group's treasury policies set out the key principles and guidelines for the Group in managing its treasury activities. Treasury activities include managing the Group's liquidity and refinancing needs, interest rate, foreign currency and credit risk exposures, with the objective of minimising the Group's financial risks. CapitaMalls Asia Treasury Limited was created as a central funding vehicle and for tax efficiency. Funds are centrally raised at CapitaMalls Asia Treasury Limited from multiple sources and lend

2011 EBIT BY GEOGRAPHICAL LOCATION *(S$million)*

Singapore	:	256.2
China	:	306.6
Malaysia	:	60.8

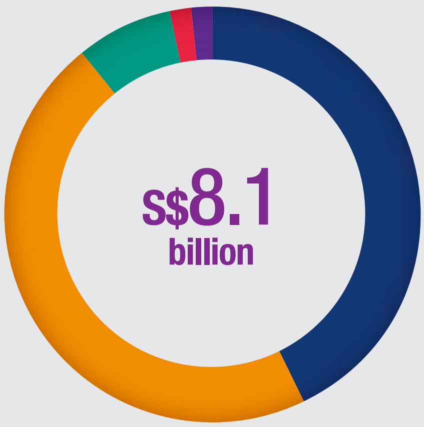
Note: Included EBIT from Japan and India of -S$17.8 million and -S$3.9 million respectively

2010 EBIT BY GEOGRAPHICAL LOCATION *(S$million)*

Singapore	:	476.0
China	:	89.4
Malaysia	:	52.6

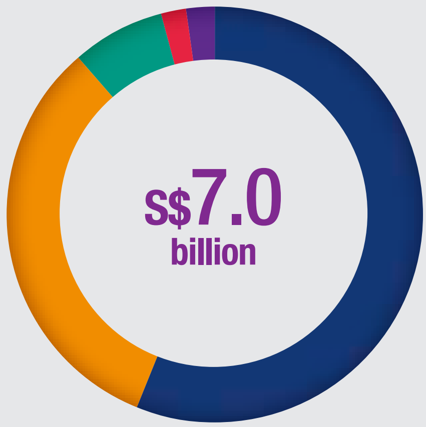
Note: Included EBIT from Japan and India of -S$8.3 million and -S$6.3 million respectively.

2011 ASSETS BY GEOGRAPHICAL LOCATION *(S$million)*



Singapore	:	3,460.5
China	:	3,743.1
Malaysia	:	619.6
Japan	:	120.3
India	:	134.5

2010 ASSETS BY GEOGRAPHICAL LOCATION *(S$million)*



Singapore	:	3,924.6
China	:	2,271.9
Malaysia	:	508.6
Japan	:	130.9
India	:	146.2

directly to its subsidiaries and other entities under its management control provided that the amounts are within approved limits and such funding are duly authorised. The Group adopts natural hedging opportunities whenever practicable and plain vanilla hedging instruments such as interest rate and foreign currency swaps as appropriate for risk management purposes. It is the Group's policy not to enter into speculative derivative transactions.

Management and Sources of Funding

The Group strives to maintain a prudent capital structure and actively reviews its cashflow, debt maturity profile and overall liquidity position on an ongoing basis. Its main sources of operating cashflows are derived from : 1) management and consultancy fee which principally includes fees from fund management, mall management, project management and property management; 2) rental and related income comprising primarily rental income arising from investment properties held by its subsidiaries; and 3) recycling of capital through monetisation of assets.

As a dual-listed company, we have access to the capital markets for potential issuance of equity, debt or securities. We are also able to secure debt financing at what we believe to be competitive rates. We have put in place $972.7 million of unutilised banking facilities to support our capital requirements. As at 31 December 2011, 51.3% of the Group's total debt was raised through capital market and the balance 48.7% was from bank borrowings. In FY 2010, 49.9% of total debt was raised through capital market and 50.1% from bank borrowings.

The Group has a total equity of S$6,477.1 million, net debt position of S$254.3 million and cash reserves of S$975.5 million on the balance sheet. Complemented by available credit facilities of $972.7 million and debt security capacity of S$1,829.7 million, the Group is in a strong position to support its working capital requirements, refinancing needs and to expeditiously respond to any potential investment opportunities.

Finance Costs for the Group

Finance costs for the Group were S$33.3 million for the financial year ended 2011, 30.1% higher compared to S$25.6 million in FY 2010.

The higher finance costs in FY 2011 were primarily due to the issue of medium term notes in 3Q 2010, retail bonds in 1Q 2011, senior notes in 2Q 2011 and draw down of new bank loan for funding of new investments, partially offset by repayments of external bank loans in China and redemption of notes in Malaysia.

Commitment of Funding

As at 31 December 2011, the Group has available and unutilised credit facilities of $972.7 million. The Group monitors its asset versus liability match and ensures that an appropriate portion of committed funding is put in place to match the planned investments holding periods. Taking into account the Group's investment strategy and uncertainty in the global environment, committed financing was secured whenever possible to support its ongoing investments. This was carefully balanced with short term lines which allowed the Group to optimise the overall cost of funding, facilitate repayment of its debts from monetisations or sale proceeds and yet assured the Group with sufficient financial capacity to support its operations, pursue acquisitions and investment opportunities.

Additionally, the Group reviews its debt profile closely so as to reduce the refinancing risks and spread out the debt maturity. In reviewing the maturity profile of its debt portfolio, the Group also took into account any monetisation or investment plans and the prevailing credit market conditions.

Available Lines by Nationality of Banks as at 31 December 2011

The Group continues to maintain and build an extensive and active relationship with a network of international banks. With this varied spectrum of network, the Group is able to tap on the strengths and support from the financial institutions in pursuing its strategic growth and presence, thus enhancing its competitiveness.

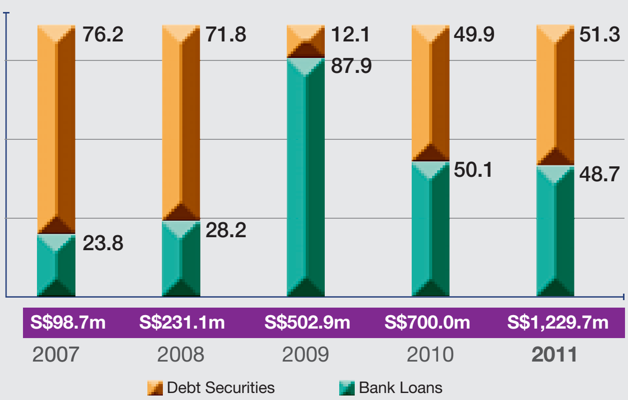
Interest Rate Profile

In managing the interest rate profile, the Group takes into account the interest rate outlook on various currencies of loans, holding periods of its investment portfolio and timing of planned monetisations. As at 31 December 2011, the fixed rate borrowings constitute 79.3% of the debt portfolio and the balance 20.7% were on floating rate basis. As finance cost formed an integral component of the Group's operating costs, the Group continues to actively review its debt portfolio to achieve a prudent mix of fixed and floating rate borrowings.

Interest Cover Ratio (ICR)

The Group recorded a net interest expense of S$9.7 million in FY 2011 as compared to net interest income of S$0.4 million in FY 2010. ICR for FY 2011 is 60.3 times while ICR for FY 2010 is not meaningful.

Sources of Funding (%)



Profile of Fixed & Floating Rate Loans (%)

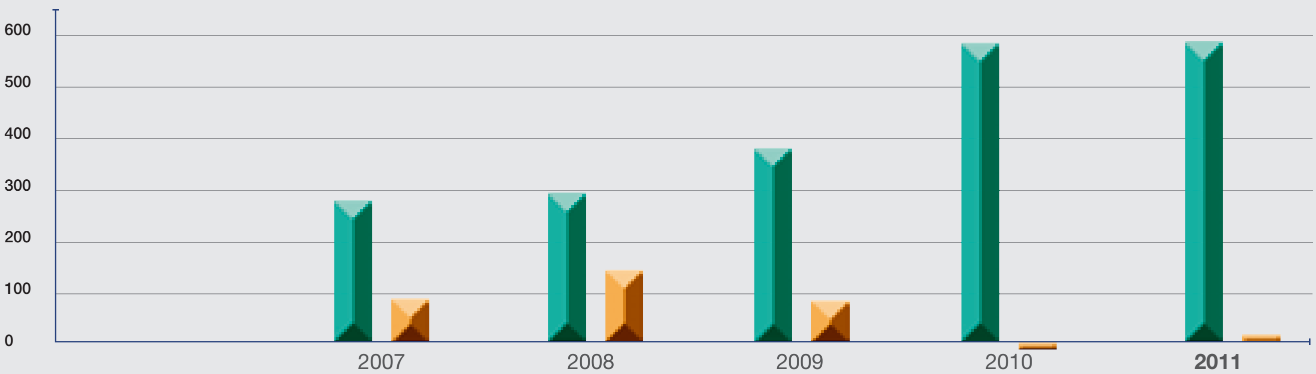
TREASURY HIGHLIGHTS

	2011 S$ million	2010 S$ million
Bank Facilities And Available Funds		
Bank facilities available	1,578.5	1,532.4
Amount utilised for loans	599.3	350.7
Amount utilised for banker's guarantee	6.5	317.6
Available and unutilised	972.7	864.1
Unutilised facilities and funds available for use	1,948.2	2,182.4
Debt Securities Capacity		
Debt securities capacity	2,460.1	1,999.3
Debt securities issued	630.4	349.3
Unused debt security capacity	1,829.7	1,650.0
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation	585.1	584.6
Net interest expenses	9.7	(0.4)
Interest cover ratio (times)	60.3	N.A.
Debt Equity Ratio		
Gross debt	1,229.7	700.0
Cash and fixed deposit balances	975.5	1,318.3
Net debt	254.3	0.0
Total Equity	6,477.1	5,888.2
Net debt to equity ratio (net of cash and fixed deposit balances) (times)	0.04	N.M.

DEBT MATURITY PROFILE

Maturity Period	S$ million	% of Debt
Less than 1 year	238.9	19.4
Between 1 & 2 years	114.2	9.3
Between 2 & 3 years	221.4	18.0
Between 3 & 4 years	13.2	1.1
Between 4 & 5 years	269.8	21.9
After 5 years	372.2	30.3

EBITDA vs Net Interest Expense (S$ million)



	2007	2008	2009	2010	2011
EBITDA vs Net Interest Expense (S$ million)	283.6 89.4	297.3 145.2	389.1 86.1	584.6 (0.4)	585.1 9.7
Interest Cover Ratio (Times)	3.2	2.0	4.5	N.M.	60.3

Note:
For changes in accounting policies, adoption of new and/or revised accounting standards, as well as changes in the presentation of the financial statements for the respective financial year under review, the comparative figures for the previous years have been restated to conform with the requirements under the said changes or adoption.

Economic Value Added Statements

	Note	2011 S$ million	2010 S$ million (Restated)
Net Operating Profit Before Tax		**219.6**	101.9
Adjust for:			
Share of results of associates and jointly-controlled entities		**348.9**	475.9
Interest expense		**33.3**	25.6
Adjusted Profit Before Interest and Tax		**601.8**	603.4
Cash operating taxes	1	**(32.7)**	(32.4)
Net Operating Profit After Tax (NOPAT)		**569.1**	571.0
Average capital employed	2	**6,265.5**	5,431.8
Weighted average cost of capital (%)	3	**5.3**	5.8
Capital Charge (CC)		**332.1**	315.0
Economic Value Added (EVA) [NOPAT – CC]		**237.0**	256.0
Non-controlling interests		**(28.6)**	(3.5)
Group EVA attributable to Equity Holders of the Company		**208.4**	252.5

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	1,020.6
Equity	5,204.4
Others	40.5
Total	**6,265.5**

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% (2010: 5.0%) per annum;
ii) Risk-free rate of 2.39% (2010: 2.59%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;
iii) Ungeared beta of 0.63 (2010: 0.64) based on the risk categorization of the countries that CMA operates in; and
iv) Cost of debt rate at 3.57% (2010: 4.22%) per annum using 5-year Singapore Dollar Swap Offer rate plus 175.0 (2010: 187.5) basis points.

Value Added Statements

	2011 S$ million	2010 S$ million (Restated)
Value Added From:		
Revenue earned	**246.2**	245.4
Less bought in materials and services	**(97.0)**	(76.8)
	149.2	168.6
Share of results of associates and jointly-controlled entities	**348.9**	475.9
Exchange gains / (loss) (net)	**7.6**	3.9
Other operating income / (expense) (net)	**220.6**	51.7
	577.1	531.5
Total Value Added	**726.3**	700.1
Distribution:		
To employees in wages, salaries and benefits	**134.0**	107.0
To government in taxes and levies	**81.3**	36.9
To providers of capital in:		
– Net interest (income) / expense	**9.7**	(0.4)
– Dividends to shareholders	**136.0**	38.8
	361.0	182.3
Balance Retained in the Business:		
Depreciation and amortisation	**6.9**	7.2
Retained profits net of dividends to equity holders of the Company	**320.0**	502.5
Non-controlling interests	**38.2**	7.6
	365.1	517.3
Non-Production Costs and Income:		
(Write back of)/Allowance for doubtful receivables (net)	**0.2**	0.5
Total Distribution	**726.3**	700.1
Productivity Analysis:		
Value added per employee (S$'000)#	**202.8**	236.6
Value added per dollar of employment cost (S$)	**5.42**	6.54
Value added per dollar sales (S$)	**0.61**	0.69

Based on average 2011 headcount of 3,580 (2010: 2,959).

5-Year Financial Summary

	2007 *	2008	2009	2010	2011
Income Statement (S$ million)					
Revenue	169.7	205.2	228.9	245.4	246.2
Earnings before Interest and Tax	326.3	305.7	408.3	603.4	601.9
Profit for the Year	185.1	118.1	274.2	548.9	494.2
Profit Attributable to Owners of the Company	185.4	115.6	268.7	541.3	456.0
Balance Sheet (S$ million)					
Investment Properties	1,047.3	1,390.1	1,378.6	304.4	619.0
Properties Under Development	160.2	171.3	127.7	288.8	1,060.1
Associates and Jointly-Controlled Entities	2,529.1	2,988.2	3,674.8	4,163.4	4,657.9
Cash and Cash Equivalents	236.5	138.1	544.3	1,318.3	975.5
Other Assets	683.4	437.6	651.6	907.3	765.5
Total Assets	**4,656.5**	**5,125.3**	**6,377.0**	**6,982.2**	**8,078.0**
Loans and Borrowings	3,179.4	3,003.1	502.9	700.0	1,229.7
Other Liabilities	748.9	537.2	480.7	394.0	371.2
Equity Attributable to Owners of the Company	681.8	1,532.9	5,340.0	5,828.5	6,227.0
Non-Controlling Interests	46.4	52.1	53.4	59.7	250.1
Total Equities and Liabilities	**4,656.5**	**5,125.3**	**6,377.0**	**6,982.2**	**8,078.0**
Financial Ratios					
Earnings per share (cents)					
– Basic and Diluted	N.M. (1)	N.M. (1)	13.9	13.9	11.7
NTA per share (S$)	N.M. (1)	N.M. (1)	1.37	1.50	1.60
Debt Equity Ratio (net of cash) (times)	N.M. (1)	N.M. (1)	N.M. (2)	N.M. (2)	3.9%

Note:

* The financial information for FY2007 are prepared on a combined basis assuming that the Corporate Reorganisation as described in the Company's Initial Public Offering Prospectus dated on 17 November 2009 had occurred on 1 January 2007.

N.M. (1) Not meaningful as this was prior to the Company's reorganisation in 2009.

N.M. (2) Not meaningful as the Group was in a net cash position.

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

Portfolio Details

SINGAPORE

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
Bedok Site[b] *(Under development to be completed in 2014)*	New Upper Changi Road / Bedok North Drive	Joint Venture	50.00%	94,127	N.A.	99 years, expiring in November 2110	851,114
Bugis Junction	Victoria Street	CapitaMall Trust	28.54%	53,706	38,906	99 years, expiring in September 2089	864,000
Bukit Panjang Plaza	Jelebu Road	CapitaMall Trust	28.54%	21,272	14,185	99 years, expiring in November 2093	259,000
Clarke Quay	River Valley Road	CapitaMall Trust	28.54%	33,592	27,372	99 years, expiring in January 2089	293,000
Funan DigitaLife Mall	North Bridge Road	CapitaMall Trust	28.54%	44,787	27,771	99 years, expiring in December 2078	347,000
Hougang Plaza	Upper Serangoon Road	CapitaMall Trust	28.54%	7,400	7,000	99 years, expiring in February 2090	34,000
Iluma	Victoria Street	CapitaMall Trust	28.54%	27,628	18,051	60 years, expiring in September 2065	295,000
IMM Building[a, g]	Jurong East	CapitaMall Trust	28.54%	132,490	87,751	60 years, expiring in January 2049	606,000
ION Orchard	Orchard Road	Joint Venture	50.00%	87,724	58,054	99 years, expiring in March 2105	2,800,000
ION Orchard Link *(Under development to be completed in 2014)*	Orchard Road	Joint Venture	50.00%	450	N.A.	99 years, expiring in March 2105	29,300
JCube *(Under development to be completed in 2012)*	Jurong East	CapitaMall Trust	28.54%	29,432	N.A.	99 years, expiring in February 2090	273,000
Junction 8	Bishan	CapitaMall Trust	28.54%	34,993	23,522	99 years, expiring in August 2090	597,000
Lot One Shoppers' Mall	Choa Chu Kang	CapitaMall Trust	28.54%	30,404	20,387	99 years, expiring in November 2092	454,000
Plaza Singapura	Orchard Road	CapitaMall Trust	28.54%	70,953	46,278	Freehold	1,080,000
Raffles City Singapore[a, c]	North Bridge Road	CapitaMall Trust	11.42%	320,480	74,505	99 years, expiring in July 2078	2,833,000
Rivervale Mall	Rivervale Crescent	CapitaMall Trust	28.54%	10,149	7,537	99 years, expiring in December 2096	98,000
Sembawang Shopping Centre	Sembawang Road	CapitaMall Trust	28.54%	18,393	12,189	999 years, expiring in March 2884	93,000
Tampines Mall	Tampines Central	CapitaMall Trust	28.54%	43,994	30,572	99 years, expiring in August 2091	800,000
The Atrium@Orchard[a]	Orchard Road	CapitaMall Trust	28.54%	53,608	33,406	99 years, expiring in August 2107	623,000
The Star Vista *(Under development to be completed in 2012)*	One Vista Xchange Green	Directly held	100.00%	23,999	N.A.	60 years, expiring in October 2067	280,380
Westgate[a] *(Under development to be completed in 2013)*	Boon Lay Way	Joint Venture	58.56%	90,767	N.A.	99 years, expiring in August 2110	1,014,638

Portfolio Details

CHINA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
CapitaMall Aidemengdun, Harbin	Daoli District, Harbin	CapitaMalls China Development Fund II	45.00%	43,851	27,097	Expiring in September 2042	78,340
CapitaMall Anzhen, Bejing	Chaoyang District, Beijing	CapitaRetail China Trust	27.00%	43,443	43,443	Expiring in October 2034/ March 2042/ June 2042	188,219
CapitaMall Beiguan, Anyang	Beiguan District, Anyang	CapitaMalls China Income Fund	45.00%	34,835	25,742	Expiring in March 2046	45,376
CapitaMall Chengnanyuan, Nanchang	Qingyunpu District, Nanchang	CapitaMalls China Income Fund	45.00%	45,607	37,349	Expiring in February 2045	52,701
CapitaMall Crystal, Beijing	Haidian District, Beijing	CapitaMalls China Development Fund II	45.00%	72,422	39,362	Commercial: Expiring in January 2043 Underground carpark: in January 2053	369,520
CapitaMall Cuiwei, Beijing	Haidian District, Beijing	CapitaMalls China Income Fund	45.00%	56,141	35,530	Commercial: Expiring in May 2046 Underground carpark: in May 2056	211,619
CapitaMall Deyang	Jingyang District, Deyang	CapitaMalls China Income Fund	45.00%	44,086	30,166	Expiring in November 2045	52,905
CapitaMall Dongguan	Nancheng District, Dongguan	CapitaMalls China Income Fund	45.00%	44,489	32,043	Expiring in January 2055	73,660
CapitaMall Erqi, Zhengzhou	Erqi District, Zhengzhou	CapitaRetail China Trust	27.00%	92,356	92,356	Expiring in May 2042	117,001
CapitaMall Fucheng, Mianyang	Fucheng District, Mianyang	CapitaMalls China Income Fund	45.00%	46,803	34,465	Expiring in September 2044	54,533
CapitaMall Fucheng, Mianyang (Phase II) *(Under development to be completed in 2013)*	Fucheng District, Mianyang	CapitaMalls China Income Fund	45.00%	45,000	N.A.	Expiring in June 2047	16,685
CapitaMall Guicheng, Foshan	Nanhai District, Foshan	Directly held jointly with CapitaMalls China Income Fund	73.05%	49,070	36,117	Expiring in August 2044	93,601

CHINA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
CapitaMall Hongqi, Xinxiang	Hongqi District, Xinxiang	CapitaMalls China Income Fund	45.00%	38,345	25,404	Expiring in November 2045	50,056
CapitaMall Jinniu, Chengdu	Jinniu District, Chengdu	CapitaMalls China Income Fund	45.00%	57,884	48,806	Expiring in October 2044	92,583
CapitaMall Jinniu, Chengdu (Phase II) *(Under development to be completed in 2013)*	Jinniu District, Chengdu	CapitaMalls China Income Fund	45.00%	90,600	N.A.	Expiring in October 2044	49,039
CapitaMall Jinshui, Zhengzhou	Jinshui District, Zhengzhou	CapitaMalls China Incubator Fund	30.00%	54,165	36,070	Expiring in July 2045	107,030
CapitaMall Jiulongpo, Chongqing	Jiulongpo District, Chongqing	Directly held jointly with CapitaMalls China Income Fund	73.05%	43,167	38,909	Expiring in October 2042	57,381
CapitaMall Kunshan	Yushan Town, Kunshan	CapitaMalls China Income Fund	45.00%	39,595	27,338	Expiring in May 2045	53,515
CapitaMall Maoming	Maonan District, Maoming	Directly held jointly with CapitaMalls China Income Fund	73.05%	37,882	30,233	Expiring in November 2044	48,021
CapitaMall Meilicheng, Chengdu *(Under development to be completed in 2013)*	Chenghua District, Chengdu	Directly held	100.00%	59,297	N.A.	Expiring in August 2044	40,992
CapitaMall Minzhongleyuan, Wuhan	Jianghan District, Wuhan	CapitaRetail China Trust	27.00%	38,631	23,216	Annex building: Expiring in September 2045 Conserved building: Master lease expiring in June 2044	88,310
CapitaMall Nan'an, Yibin	Cuiping District, Yibin	CapitaMalls China Income Fund	45.00%	39,414	27,870	Expiring in May 2045	45,783
CapitaMall Peace Plaza, Dalian	Shahekou District, Dalian	CapitaMalls China Incubator Fund	30.00%	157,576	104,173	Expiring in November 2035	366,264
CapitaMall Qibao, Shanghai	Minhang District, Shanghai	CapitaRetail China Trust	27.00%	72,729	50,779	Master lease expiring in Jan 2024	73,863
CapitaMall Quanzhou	Licheng District, Quanzhou	CapitaMalls China Income Fund	45.00%	43,096	29,860	Expiring in February 2045	48,632

Portfolio Details

CHINA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
CapitaMall Rizhao *(Under development to be completed in 2012)*	Donggang District, Rizhao	CapitaMalls China Incubator Fund	30.00%	70,898	N.A.	Expiring in November 2043	85,462
CapitaMall Saihan, Huhhot	Saihan District, Huhhot	CapitaRetail China Trust	27.00%	41,938	30,197	Expiring in March 2041	63,079
CapitaMall Shapingba, Chongqing	Shapingba District, Chongqing	CapitaMalls China Incubator Fund	30.00%	41,877	26,858	Master lease expiring in December 2023	19,819
CapitaMall Shawan, Chengdu	Jinniu District, Chengdu	CapitaMalls China Incubator Fund	30.00%	38,612	26,920	Commercial: Expiring in January 2046 Underground car park: Expiring in January 2076	68,776
CapitaMall Shuangjing, Beijing	Chaoyang District, Beijing	CapitaRetail China Trust	27.00%	49,463	49,463	Expiring in July 2042	106,827
CapitaMall Taiyanggong, Beijing *(Under development to be completed in 2012)*	Chaoyang District, Beijing	CapitaMalls China Development Fund II	45.00%	83,692	N.A.	Expiring in August 2044	296,063
CapitaMall Taohualun, Yiyang	Heshan District, Yiyang	CapitaMalls China Income Fund	45.00%	34,895	23,417	Expiring in June 2045	41,713
CapitaMall Tianfu, Chengdu[a, b] *(Under development to be completed in 2013)*	Gaoxin District, Chengdu	Directly Held	100.00%	197,064	N.A.	Expiring in February 2048	277,343
CapitaMall TianjinOne, Tianjin	Hexi District, Tianjin	CapitaMalls China Incubator Fund	30.00%	59,305	41,208	Expiring in September 2054	129,820
CapitaMall Wangjing, Beijing	Chaoyang District, Beijing	CapitaRetail China Trust	27.00%	68,010	56,193	Commercial: Expiring in May 2043 Underground car park: Expiring in May 2053	306,441

CHINA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
CapitaMall Weifang	Gaoxin District, Weifang	CapitaMalls China Income Fund	45.00%	43,446	36,342	Expiring in October 2044	55,143
CapitaMall Wuhu	Jinghu District, Wuhu	Joint venture between CapitaRetail China Trust and CapitaMalls China Income Fund	35.82%	45,634	37,375	Expiring in May 2044	42,934
CapitaMall Wusheng, Wuhan[d] *(Under development to be completed in 2012)*	Qiaokou District, Wuhan	CapitaMalls China Development Fund II	45.00%	112,769	N.A.	Expiring in June 2044	140,808
CapitaMall Xindicheng, Xi'an[a, d] *(Under development to be completed in 2012)*	Yanta District, Xi'an	CapitaMalls China Development Fund II	45.00%	151,499	N.A.	Expiring in December 2043	132,262
CapitaMall Xizhimen, Beijing	Xicheng District, Beijing	CapitaRetail China Trust	27.00%	83,075	51,203	Underground commercial and retail use: Expiring in August 2044 Integrated use: Expiring in August 2054	453,760
CapitaMall Xuefu, Harbin *(Under development to be completed in 2012)*	Nangang District, Harbin	CapitaMalls China Development Fund II	45.00%	96,635	N.A.	Expiring in December 2045	184,353
CapitaMall Yangzhou	Weiyang District, Yangzhou	CapitaMalls China Income Fund	45.00%	52,536	35,932	Expiring in July 2039/ April 2045	69,183
CapitaMall Yuhuating, Changsha	Yuhua District, Changsha	Directly held jointly with CapitaMalls China Income Fund	73.05%	62,080	47,194	Expiring in March 2044	89,938
CapitaMall Zhangzhou	Xiangcheng District, Zhangzhou	Directly held jointly with CapitaMalls China Income Fund	73.05%	39,170	30,560	Expiring in December 2043	57,992
CapitaMall Zhanjiang	Chikan District, Zhanjiang	CapitaMalls China Income Fund	45.00%	47,266	33,144	Expiring in December 2044	61,451

Portfolio Details

CHINA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	CapitaMalls China Income Fund	45.00%	44,840	32,743	Expiring in May 2055	56,364
CapitaMall Zibo	Zhangdian District, Zibo	CapitaMalls China Income Fund	45.00%	41,994	31,110	Expiring in March 2045	50,260
Chongqing Integrated Development[a, b, c, d] *(Under development to be completed in 2017)*	Yuzhong District, Chongqing	Joint Venture	25.00%	817,000	N.A.	Commercial: Expiring in 2051 Residential: Expiring in 2081 Underground car park: Expiring in January 2051	400,000
Hongkou Plaza, Shanghai[a (2)]	Hongkou District, Shanghai	Joint venture with CapitaMalls China Income Fund	72.50%	193,014	92,276	Expiring in September 2057	1,180,184
Luwan Integrated Development, Shanghai[a] *(Under development to be completed in 2015)*	Luwan District, Shanghai	Joint Venture	66.00%	127,750	N.A.	Expiring in July 2056	549,396
Minhang Plaza, Shanghai[a (2)]	Minhang District, Shanghai	Joint venture with CapitaMalls China Incubator Fund	65.00%	146,843	110,640	Expiring in December 2053	600,266
Raffles City Beijing[a, d]	Dongcheng District, Beijing	Raffles City China Fund	15.00%	110,996	Total: 90,408 (Rental: 22,045 Office: 40,605 Ascott: 27,758)	Retail: Expiring in April 2046 Integrated use and car park: Expiring in April 2056	609,809
Raffles City Changning[a] *(Under development to be completed in 2015)*	Changning District, Shanghai	Joint Venture	17.10%	290,107	N.A.	Expiring in November 2055	1,148,848

CHINA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
Raffles City Chengdu[a, d, f] *(Under development to be completed in 2012)*	Wuhou District, Chengdu	Raffles City China Fund	15.00%	241,109	N.A.	Expiring in December 2045	638,520
Raffles City Hangzhou [a, c, d, e, f] *(Under development to be completed in 2014)*	Qianjiang New Town, Hangzhou	Raffles City China Fund	15.00%	300,797	N.A.	Expiring in March 2049	590,702
Raffles City Ningbo[a, f] *(Under development to be completed in 2012)*	Jiangbei District, Ningbo	Raffles City China Fund	15.00%	99,090	N.A.	Expiring in August 2047	314,173
Raffles City Shanghai[a]	Huangpu District, Shanghai	Raffles City China Fund	8.38%	139,593	110,199 (Office: 82,572 Retail: 27,627)	Expiring in April 2045	1,167,568
Suzhou Integrated Development[a (3)] *(Under development to be completed in 2017)*	Suzhou Industrial Park, Suzhou	Joint Venture	50.00%	310,000	N.A.	Commercial: Expiring in January 2051 Underground car park: Expiring in January 2051	N.A.

Portfolio Details

MALAYSIA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
East Coast Mall[4]	Putra Square, Kuantan	CapitaMalls Malaysia Trust	35.73%	60,756	41,018	99 years, expiring in December 2106	134,749
Gurney Plaza	Persiaran Gurney, Penang	CapitaMalls Malaysia Trust	35.73%	122,436	81,048	Freehold	449,163
Queensbay Mall *(approximately 90.7% of retail strata area and 100% of the car park bays)*	Bayan Lepas, Penang	Held through subsidiaries and an asset-backed securitisation structure	100.00%	85,113	82,700	Freehold	272,152
Sungei Wang Plaza *(approximately 61.9% of aggregate retail floor area and 100% of the car park bays)*	Jalan Sultan Ismail, Kuala Lumpur	CapitaMalls Malaysia Trust	35.73%	47,481	41,602	Freehold	323,397
The Mines	Jalan Dulang, Selangor	CapitaMalls Malaysia Trust	35.73%	116,783	66,662	99 years, expiring in September 2091	228,256

JAPAN

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
Chitose Mall	Chitose-shi, Hokkaido	CapitaMalls Japan Fund Pte. Ltd.	26.29%	26,336	15,691	Freehold	21,133
Coop Kobe	Nishinomiya-shi, Hyogo	CapitaMalls Japan Fund Pte. Ltd.	26.29%	7,970	7,970	Freehold	39,936
Ito Yokado Eniwa	Eniwa-shi, Hokkaido	CapitaMalls Japan Fund Pte. Ltd.	26.29%	14,843	14,843	Freehold	31,782
Izumiya Hirakata	Hirakata-shi, Osaka	CapitaMalls Japan Fund Pte. Ltd.	26.29%	20,044	20,043	Freehold	88,192
La Park Mizue	Mizue, Edogawa-ku, Tokyo	CapitaMalls Japan Fund Pte. Ltd.	26.29%	18,914	18,430	Freehold	91,520
Narashino Shopping Centre	Funabashi-shi, Chiba	CapitaMalls Japan Fund Pte. Ltd.	26.29%	12,783	10,737	Freehold	53,082
Vivit Square	Funabashi-shi, Chiba	CapitaMalls Japan Fund Pte. Ltd.	26.29%	69,444	49,628	Freehold	284,544

INDIA

Name of Project (target completion date)	Location	Holding Entity	Effective Stake (%)	GFA (sqm)	Operational NLA (sqm)	Tenure	Book Value[1] (100% Basis) as at 31 Dec 2011 (S$'000)
Cochin Mall[a, c, (5)] *(under development to be completed in 2016)*	Ernakulam District, Cochin	CapitaMalls India Development Fund	11.36%	99,405	N.A.	Freehold	16,383
Forum Value Mall, Bangalore[d]	Whitefield, Bangalore	CapitaMalls India Development Fund	15.91%	46,982	27,059	Freehold	71,647
Graphite India, Bangalore[a] *(under development to be completed in 2014)*	Whitefield, Bangalore	CapitaMalls India Development Fund	22.27%	97,731	N.A.	Freehold	61,131
Hyderabad Mall *(under development to be completed in 2013)*	Kukatpally, Hyderabad	CapitaMalls India Development Fund	11.14%	80,387	N.A.	Freehold	83,803
Jalandhar Mall *(under development to be completed in 2015)*	Paragpur Village, Jalandhar	CapitaMalls India Development Fund	29.55%	57,042	N.A.	Freehold	33,412
Mangalore Mall *(under development to be completed in 2013)*	Pandeshwar Road, Mangalore	CapitaMalls India Development Fund	15.15%	63,814	N.A.	Freehold	52,703
Mysore Mall *(under development to be completed in 2014)*	Abba Road/ Hyder Ali Road, Mysore	CapitaMalls India Development Fund	22.27%	33,417	N.A.	Freehold	17,700
Nagpur Mall[a, c] *(under development to be completed in 2015)*	Umrer Road, Nagpur	CapitaMalls India Development Fund	29.55%	94,760	N.A.	Freehold	46,314
The Celebration Mall, Udaipur	Bhuwana Phase-II Scheme, National Highway 8, Udaipur	CapitaMalls India Development Fund	37.27%	36,398	36,398	99 years, expiring in May 2103	47,905

All properties are for retail purposes and some include the following uses:
(a) office
(b) residential
(c) hotel
(d) serviced apartment
(e) SOHO
(f) commercial apartment
(g) warehouse

Other Notes:
The total book value of properties held by our subsidiaries (where effective stake is more than 50.00%) is S$1,679.1 million, representing 27.0% of net assets attributable to equity holders of the company.

Excludes our interest in Horizon Realty Fund, which we do not manage.

Our effective interests in properties are based on our direct interests and our interests in the private real estate funds, CMT, CRCT and CMMT as at 31 December 2011.

(1) Based on valuation adopted as at 31 December 2011.
(2) Acquisition of 50% stake pending completion.
(3) Acquisition pending government approval.
(4) Including the car park GFA the total GFA is 92,615 sqm.
(5) Held through a combination of equity and debentures.

Raffles City Shanghai, China

GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA GROWING OUR PRESENCE IN ASIA

Statutory Accounts

Directors' Report

Year ended 31 December 2011

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 2011.

DIRECTORS

The directors in office at the date of this report are as follows:

Liew Mun Leong
Chua Kheng Yeng Jennie
Lim Tse Ghow Olivier
Sunil Tissa Amarasuriya
Tan Sri Amirsham A Aziz
Dr Loo Choon Yong
Arfat Pannir Selvam
Professor Tan Kong Yam
Yap Chee Keong
Lim Beng Chee

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the Company's subsidiaries are set out in Note 34 to the financial statements.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 31 December 2011 are set out in the Group's income statement on Page 104.

The Directors recommend the payment of a final dividend of S$0.015 per share which, together with the interim dividend of S$0.015 per share paid on 16 September 2011 makes a total dividend of S$0.03 per share for the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2011 amounted to approximately $90,768,024.

RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in the Statement of Changes in Equity for the Company and the Group.

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 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 (the "Act"), 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	At end of the year
The Company			
Ordinary shares			
Liew Mun Leong		442,000	456,540
Chua Kheng Yeng Jennie		156,000	159,800
Lim Tse Ghow Olivier		406,000	888,000
Sunil Tissa Amarasuriya		25,000	31,850
Dr Loo Choon Yong		775,000	783,200
Arfat Pannir Selvam		54,000	60,400
Professor Tan Kong Yam		–	6,650
Yap Chee Keong		25,000	33,250
Lim Beng Chee		114,000	251,000
Contingent award of Performance shares[1] to be delivered after 2012			
Lim Beng Chee	(197,700 shares)	0 to 395,400[3]	0 to 395,400[3]
Contingent award of Performance shares[1] to be delivered after 2013			
Lim Beng Chee	(197,700 shares)	–	0 to 395,400[3]
Contingent award of Restricted shares[2] to be delivered after 2011			
Lim Beng Chee	(100,000 shares)	–	0 to 150,000[4]

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	At end of the year
The Company (Cont'd)			
***Unvested Restricted shares[2] to be delivered* after 2010**			
Liew Mun Leong		29,080[4]	14,540[5]
Chua Kheng Yeng Jennie		7,600[4]	3,800[5]
Lim Tse Ghow Olivier		16,000[4]	8,000[5]
Sunil Tissa Amarasuriya		13,700[4]	6,850[5]
Dr Loo Choon Yong		16,400[4]	8,200[5]
Arfat Pannir Selvam		12,800[4]	6,400[5]
Professor Tan Kong Yam		13,300[4]	6,650[5]
Yap Chee Keong		16,500[4]	8,250[5]
Lim Beng Chee		0 to 150,000[4]	74,000[7]
Subsidiary, CapitaMalls Asia Treasury Limited			
$75 million 1.00% Bonds due 2012			
Liew Mun Leong		–	$1,000,000[8]
$125 million 2.15% Bonds due 2014			
Liew Mun Leong		–	$2,000,000
Holding Company, CapitaLand Limited			
Ordinary shares			
Liew Mun Leong		3,356,436	3,571,915
Chua Kheng Yeng Jennie		888,112	975,660
Lim Tse Ghow Olivier		155,670	246,521
Dr Loo Choon Yong		45,000	45,000
Arfat Pannir Selvam		179,799	201,039
Lim Beng Chee		628,734	683,087
Options to subscribe for ordinary shares exercisable from 26/02/2006 to 25/02/2015 at an exercise price of $1.72 per share			
Lim Tse Ghow Olivier		57,150	57,150
Options to subscribe for ordinary shares exercisable from 25/02/2007 to 24/02/2016 at an exercise price of $3.18 per share			
Lim Tse Ghow Olivier		154,250	154,250
Contingent award of Performance shares[1] to be delivered after 2010			
Liew Mun Leong	(368,726 shares)	0 to 737,452[3]	–¶
Chua Kheng Yeng Jennie	(131,208 shares)	0 to 262,416[3]	–¶
Lim Tse Ghow Olivier	(115,227 shares)	0 to 230,454[3]	–¶
Lim Beng Chee	(79,891 shares)	0 to 159,782[3]	–¶

¶ *No share was released under the 2008 award.*

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	At end of the year
Holding Company, CapitaLand Limited (Cont'd)			
Contingent award of Performance shares[1] to be delivered after 2011			
Liew Mun Leong	(370,258 shares)	0 to 740,516[3]	0 to 740,516[3]
Chua Kheng Yeng Jennie	(123,419 shares)	0 to 246,838[3]	0 to 246,838[3]
Lim Tse Ghow Olivier	(148,103 shares)	0 to 296,206[3]	0 to 296,206[3]
Lim Beng Chee	(148,103 shares)	0 to 296,206[3]	0 to 296,206[3]
Contingent award of Performance shares[1] to be delivered after 2012			
Liew Mun Leong	(381,039 shares)	0 to 762,078[3]	0 to 762,078[3]
Chua Kheng Yeng Jennie	(126,978 shares)	0 to 253,956[3]	0 to 253,956[3]
Lim Tse Ghow Olivier	(152,437 shares)	0 to 304,874[3]	0 to 304,874[3]
Contingent award of Performance shares[1] to be delivered after 2013			
Liew Mun Leong	(359,200 shares)	–	0 to 718,400[3]
Chua Kheng Yeng Jennie	(119,700 shares)	–	0 to 239,400[3]
Lim Tse Ghow Olivier	(143,700 shares)	–	0 to 287,400[3]
Unvested Restricted shares[2] to be delivered after 2008			
Liew Mun Leong		53,554[6]	–
Chua Kheng Yeng Jennie		26,779[6]	–
Lim Tse Ghow Olivier		20,082[6]	–
Lim Beng Chee		16,738[6]	–
Unvested Restricted shares[2] to be delivered after 2009			
Liew Mun Leong		171,958[7]	85,980[6]
Chua Kheng Yeng Jennie		64,484[7]	32,243[6]
Lim Tse Ghow Olivier		75,231[7]	37,616[6]
Arfat Pannir Selvam		14,503[5]	–
Lim Beng Chee		75,231[7]	37,616[6]
Unvested Restricted shares[2] to be delivered after 2010			
Liew Mun Leong		0 to 301,913[4]	151,896[7]
Chua Kheng Yeng Jennie		0 to 113,409[4]	57,058[7]
Lim Tse Ghow Olivier		0 to 131,799[4]	66,310[7]
Arfat Pannir Selvam		13,474[4]	6,737[5]

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	At end of the year
Holding Company, CapitaLand Limited (Cont'd)			
Contingent award of Restricted shares[2] to be delivered after 2011			
Liew Mun Leong	(197,000 shares)	–	0 to 295,500[4]
Chua Kheng Yeng Jennie	(74,000 shares)	–	0 to 111,000[4]
Lim Tse Ghow Olivier	(86,000 shares)	–	0 to 129,000[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	$1,500,000
Associates			
CapitaMall Trust ("CMT")			
Liew Mun Leong		1,903,798	1,903,798
Chua Kheng Yeng Jennie		270,000	270,000
Lim Beng Chee		140,600	140,600
CapitaRetail China Trust ("CRCT")			
Liew Mun Leong		129,000	129,000
Chua Kheng Yeng Jennie		50,000	50,000
Lim Tse Ghow Olivier		154,000	154,000
Arfat Pannir Selvam		60,000	60,000
Lim Beng Chee		289,000	289,000
CapitaMalls Malaysia Trust ("CMMT")			
Lim Beng Chee		100,000	100,000
Related Corporations			
Australand			
Stapled securities (comprising ordinary shares in Australand Holdings Limited and units in Australand Property Trust, Australand Property Trust No. 4 and Australand Property Trust No. 5)			
Chua Kheng Yeng Jennie		4,630	–

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	At end of the year
The Ascott Capital Pte Ltd		
$150 million 4.70% Fixed Rate Notes due 2011		
Liew Mun Leong	$1,000,000	–
Chua Kheng Yeng Jennie	$500,000	–
$200 million 4.38% Fixed Rate Notes due 2012		
Liew Mun Leong	$1,000,000	$1,000,000
$50 million 5.15% Fixed Rate Notes due 2014		
Liew Mun Leong	$1,000,000	$1,000,000

Footnotes:

[1] *Performance shares are shares under awards pursuant to the Company or CapitaLand Performance Share Plans.*

[2] *Restricted shares are shares under awards pursuant to the Company or CapitaLand Restricted Stock Plans.*

[3] *The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No shares 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 200% 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 shares 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 award to non-executive directors will be time-based with no performance conditions and will be released over a vesting period of two years.*

[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.*

[8] *Subsequent to the year ended 31 December 2011, Liew Mun Leong's holdings in the $75 million 1.00% Bonds due in 2012 was fully redeemed by CapitaMalls Asia Treasury Limited, the issuer, on 21 January 2012.*

Save as disclosed above, there was no change in any of the above-mentioned directors' interests in the Company and its related corporations between the end of the financial year and 21 January 2012.

DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, the directors' interests in contracts relate to:

(i) transactions amounting to $372,000 and $768,100 paid or payable by the Group and its related corporations respectively to firms and/or companies in which Dr Loo Choon Yong has substantial financial interests;

(ii) professional consultancy fees of $50,000 paid or payable by CapitaLand Limited, the Company's holding company, to Professor Tan Kong Yam; and

(iii) professional fees of $6,500 paid or payable by a related corporation to Selvam LLC (formerly known as Arfat Selvam Alliance LLC), of which Mrs Arfat Pannir Selvam is a shareholder.

Save as disclosed above, since the end of the last financial year, no other 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 Note 25 (c) of the Financial Statements.

Save for Mr Lim Beng Chee's employment contract in respect of his appointment as the Chief Executive Officer of the Company, no contracts of significance (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HKEx Listing Rules")) in relation to the businesses of the Company and its subsidiaries to which the Company or a subsidiary was a party in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the "Directors' Interest 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 object 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 comprises the following members:

Dr Loo Choon Yong, Chairman
Mr Liew Mun Leong
Mr Sunil Tissa Amarasuriya

SHARE PLANS (CONT'D)

(a) Performance Share Plan and Restricted Stock Plan

The Performance Share Plan and the Restricted Stock Plan (collectively referred to as the "Share Plans") were approved and adopted at the Company's Extraordinary General Meeting held on 30 October 2009.

The Performance Share Plan is intended to apply to a select group of key senior management, while the Restricted Stock Plan is intended to apply to a broader base of executives as well as non-executive directors.

Under the Performance Share Plan, 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 ERCC is satisfied that the prescribed target(s) have been achieved. There are no vesting periods beyond the performance achievement periods.

Under the 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-based restricted awards). No minimum vesting periods are prescribed under the Restricted Stock Plan.

Awards granted under Restricted Stock Plan differ from awards granted under the Performance Share Plan in that an extended vesting period is 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 Restricted Stock Plan also enables 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 principal terms of the Share Plans are:

- **Duration**

  The Share Plans shall continue to be in force at the discretion of the ERCC, subject to a maximum period of 10 years commencing on 30 October 2009, provided always that the Share Plans may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

  Notwithstanding the expiry or termination of the Share Plans, any awards made to participants prior to such expiry or termination will continue to remain valid.

- **Participants of the Share Plans**

  In respect of the Performance Share Plan and Restricted Stock Plan, the following persons shall be eligible to participate:

  – Group Executives who have attained the age of 21 years and hold such rank as may be designated by the ERCC from time to time;

  – Non-Executive Directors (other than Non-Executive Directors of Parent Group) who, in the opinion of the ERCC, have contributed or will contribute to the success of the Group; and

SHARE PLANS (CONT'D)

(a) Performance Share Plan and Restricted Stock Plan (Cont'd)

- **Participants of the Share Plans (Cont'd)**

  – Executives of Associated Company who have attained the age of 21 years and hold such rank as may be designated by the ERCC from time to time and who, in the opinion of the ERCC, have contributed or will contribute to the success of the Group.

Persons who are the Company's controlling shareholders or their associates as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") are not eligible to participate in all the Share Plans.

(b) Awards under the Company's Performance Share Plan

During the financial year, the ERCC of the Company has granted awards conditional on targets set for a performance period, currently prescribed to be a three-year 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.

The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No shares 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 200% of the baseline award.

Details of the movement in the awards of the Company during the year were as follows:

	Balance as at 1 January 2011		Movements during the year			Balance as at 31 December 2011	
			Granted	Released	Lapsed/ Cancelled		
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	20	871,700	–	–	–	20	871,700
2011	–	–	1,326,700	–	40,000	29	1,286,700
		871,700	1,326,700	–	40,000		2,158,400

SHARE PLANS (CONT'D)

(c) Awards under the Company's Restricted Stock Plan

During the financial year, the ERCC of the Company has granted awards 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.

The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No shares 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 shares have a vesting period schedule of two to three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

The Company has instituted a set of share ownership guidelines for senior management who receive shares under the Restricted Stock Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of the Company shares acquired through the 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 Restricted Stock Plan to the non-executive directors.

Details of the movement in the awards of the Company during the year were as follows:

	Balance as at 1 January 2011		Movements during the year			Balance as at 31 December 2011	
			Granted	Released[#]	Lapsed/ Cancelled		
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	795	4,116,979	427,563	(1,520,317)	(245,696)	716	2,778,529
2011	–	–	5,609,300	–	(400,955)	934	5,208,345
		4,116,979	6,036,863	(1,520,317)	(646,651)		7,986,874

[#] *The number of shares released during the year was 1,520,317, of which 438,490 were cash-settled.*

As at 31 December 2011, the number of shares comprised in awards granted under the Company's Restricted Stock Plan is as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award)*	3,672,267	1,536,078	5,208,345
Final number of shares determined but not released	1,987,224	791,305	2,778,529
	5,659,491	2,327,383	7,986,874

* *The final number of shares released could range from 0% to 150% of the baseline award.*

During the financial year, the aggregate number of new shares issued pursuant to the Share Plans did not exceed 15% of the issued share capital of the Company.

Save as disclosed above, there were no unissued shares of the Company or its subsidiaries under the Share Plans.

Directors' Report

Year ended 31 December 2011

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the financial year ended 31 December 2011, neither the Company nor its subsidiary had purchased, sold or redeemed any of the listed securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the financial year ended 31 December 2011.

PLANT AND EQUIPMENT

Details of movements in Plant and Equipment during the year are set out in Note 3 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, none of the Group's five largest suppliers made up more than 30% of the Group's purchases respectively. Our single largest customer, HSBC Institutional Trust Service (Singapore) Limited ("HSBC Trust"), the trustee of CMT and CRCT, constituted approximately 41.3% of our annual revenue in 2011. Notwithstanding the aforesaid, the management fees due from each of the malls in CMT and CRCT's portfolio which HSBC Trust acts as trustee were around 1.5% of the Group's annual revenue in 2011. As HSBC Trust only makes payments to the Group on behalf of each of the malls as CMT and CRCT's trustee, each of the malls is considered as an individual customer, instead of collectively as one customer through HSBC Trust, in which case the percentage of the annual turnover accountable to the top 5 customers for 2011 was less than 30%.

RETAIL BONDS AND SENIOR NOTES

During the year 2011, the Group's wholly-owned subsidiary, CapitaMalls Asia Treasury Limited issued an aggregate notional amount of $200.0 million unsecured one-year and three-year retail bonds bearing interest of 1.00% and 2.15% per annum with maturity dates on 21 January 2012 and 21 January 2014 respectively. On 12 January 2012, the subsidiary further issued a 10-year callable step-up bond with an aggregate notional amount of $400.0 million with maturity date on 12 January 2022. The issuance of the retail bonds was to allow for strategic diversification of funding sources for future acquisitions and growth, active management of debt maturity profile and composition for the Group and to optimise the Group's capital structure. The proceeds from the retail bonds were used for the purpose of financing the investments and general corporate purposes of the Group.

During the year 2011, the Group's wholly-owned subsidiary, Special Coral Sdn. Bhd. issued two classes of senior notes amounting to an aggregate of $83.5 million bearing interest rates of 4.00% and 4.50% per annum respectively with maturity dates on 1 April 2014. These were issued mainly to finance the acquisition of Queensbay Mall via an asset-backed securitisation structure.

COMMUNITY RELATIONS

During the year, the Group made donations of approximately $190,000 to various charitable organizations. In addition, the Group supported various community initiatives, such as the "My Schoolbag" programme which was made possible with funding from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand Limited. Further details can be found under the Corporate Social Responsibility section of the Annual Report.

AUDIT COMMITTEE

The Audit Committee members at the date of this report are Mr Yap Chee Keong (Chairman), Professor Tan Kong Yam and Mr Sunil Tissa Amarasuriya.

The Audit Committee performs the function specified by Section 201B of the Act, the Listing Manual of the SGX-ST, and the Singapore Code of Corporate Governance 2005 and the Code of Corporate Governance Practices contained in Appendix 14 of the HKEx Listing Rules.

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 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 in relation to financial reporting, particularly those of the Act, the Listing Manual of the SGX-ST and the HKEx Listing Rules;
- 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 CapitaLand Limited 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.

AUDIT COMMITTEE (CONT'D)

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 2011. 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.

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.

Directors' Report

Year ended 31 December 2011

AUDITORS

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

LIEW MUN LEONG
Director

LIM BENG CHEE
Director

21 February 2012

Statement by Directors

Year ended 31 December 2011

In our opinion:

(a) the financial statements set out on pages 103 to 187 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 2011 and of the results, changes in equity and cash flows of the Group and the results and changes in equity of the Company 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

LIEW MUN LEONG
Director

LIM BENG CHEE
Director

21 February 2012

Independent Auditors' Report

"CapitaMalls Asia Limited" Members of the Company

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CapitaMalls Asia Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial positions of the Group and the Company as at 31 December 2011, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company and statements of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 103 to 187.

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 issued by the Singapore Accounting Standards Council, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

Independent Auditors' Report

"CapitaMalls Asia Limited" Members of the Company

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position, 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 2011 and the results and changes in equity of the Group and of 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
21 February 2012

Statements of Financial Position

As at 31 December 2011

	Note	GROUP 2011 $'000	GROUP 2010 $'000	GROUP 2009 $'000 (Restated)	COMPANY 2011 $'000	COMPANY 2010 $'000
ASSETS						
Non-Current Assets						
Plant and Equipment	3	**16,196**	13,197	14,686	**5,355**	4,292
Investment Properties	4	**618,988**	304,429	1,378,567	**–**	–
Properties under Development	5	**1,060,102**	288,848	127,666	**–**	–
Subsidiaries	6	**–**	–	–	**3,337,277**	2,846,538
Associates	7	**3,521,066**	3,119,729	2,999,393	**–**	–
Jointly-Controlled Entities	8	**1,136,861**	1,043,656	675,398	**–**	–
Other Investments	9	**425,622**	378,653	200,028	**–**	–
Deferred Tax Assets	10	**–**	203	203	**–**	–
Other Assets	11	**97,045**	16,869	730	**2**	–
		6,875,880	5,165,584	5,396,671	**3,342,634**	2,850,830
Current Assets						
Development Properties for Sale		**8,827**	–	–	**–**	–
Trade and Other Receivables	12	**217,862**	498,281	436,013	**1,662,708**	2,161,763
Cash and Cash Equivalents	13	**975,479**	1,318,312	544,306	**1,069**	927
		1,202,168	1,816,593	980,319	**1,663,777**	2,162,690
Total Assets		**8,078,048**	6,982,177	6,376,990	**5,006,411**	5,013,520
Equity Attributable to Owners of the Company						
Share Capital	14	**4,607,514**	4,605,000	4,605,000	**4,607,514**	4,605,000
Reserves	15	**1,619,477**	1,223,519	735,041	**119,290**	153,025
		6,226,991	5,828,519	5,340,041	**4,726,804**	4,758,025
Non-Controlling Interests		**250,134**	59,711	53,413	**–**	–
Total Equity		**6,477,125**	5,888,230	5,393,454	**4,726,804**	4,758,025
Non-Current Liabilities						
Loans and Borrowings	16	**990,805**	687,692	430,738	**–**	–
Deferred Tax Liabilities	10	**85,021**	33,121	30,065	**450**	339
Other Non-Current Liabilities	17	**21,579**	7,376	23,845	**440**	1,022
		1,097,405	728,189	484,648	**890**	1,361
Current Liabilities						
Trade and Other Payables	18	**213,132**	295,396	377,622	**277,972**	254,069
Loans and Borrowings	16	**238,938**	12,260	72,155	**–**	–
Current Tax Payable		**51,448**	58,102	49,111	**745**	65
		503,518	365,758	498,888	**278,717**	254,134
Total Liabilities		**1,600,923**	1,093,947	983,536	**279,607**	255,495
Total Equity and Liabilities		**8,078,048**	6,982,177	6,376,990	**5,006,411**	5,013,520
Net Current Assets		**698,650**	1,450,835	481,431	**1,385,060**	1,908,556
Total Assets less Current Liabilities		**7,574,530**	6,616,419	5,878,102	**4,727,694**	4,759,386

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

Income Statements

Year ended 31 December 2011

		GROUP		COMPANY	
		2011	2010	2011	2010
	Note	$'000	$'000 (Restated)	$'000	$'000
Revenue	22	**246,173**	245,402	**310,597**	184,888
Cost of Sales		**(104,204)**	(91,803)	**(33,516)**	(33,226)
Gross Profit		**141,969**	153,599	**277,081**	151,662
Other Operating Income	23	**252,057**	82,447	**2,250**	7,631
Administrative Expenses		**(140,401)**	(107,419)	**(79,952)**	(57,397)
Other Operating Expenses		**(699)**	(1,099)	**(99,695)**	(19,122)
Finance Costs	24	**(33,312)**	(25,603)	**–**	(1)
Share of Results (net of tax) of:					
– Associates		**195,300**	112,824	**–**	–
– Jointly-Controlled Entities		**153,645**	363,060	**–**	–
Profit before Taxation	25	**568,559**	577,809	**99,684**	82,773
Taxation	26	**(74,341)**	(28,871)	**(792)**	(205)
Profit for the Year		**494,218**	548,938	**98,892**	82,568
Attributable to:					
Owners of the Company		**456,008**	541,337	**98,892**	82,568
Non-Controlling Interests		**38,210**	7,601	**–**	–
Profit for the Year		**494,218**	548,938	**98,892**	82,568

Earnings per share			
Basic Earnings per share (cents)	27	**11.7**	13.9
Diluted Earnings per share (cents)	27	**11.7**	13.9

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

Statements of Comprehensive Income

Year ended 31 December 2011

	GROUP 2011 $'000	GROUP 2010 $'000 (Restated)	COMPANY 2011 $'000	COMPANY 2010 $'000
Profit for the Year	**494,218**	548,938	**98,892**	82,568
Other Comprehensive Income				
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans	**21,294**	(37,439)	**–**	–
Change in fair value of available-for-sale investments	**46,403**	25,936	**–**	–
Effective portion of change in fair value of cash flow hedges	**151**	(344)	**–**	–
Share of other comprehensive income of associates and jointly-controlled entities	**16,182**	(7,888)	**–**	–
Total Comprehensive Income for the Year*	**578,248**	529,203	**98,892**	82,568
Total comprehensive income attributable to:				
Owners of the Company	**530,156**	523,031	**98,892**	82,568
Non-Controlling Interests	**48,092**	6,172	**–**	–
Total Comprehensive Income for the Year	**578,248**	529,203	**98,892**	82,568

* *There are no income tax effects relating to these components of other comprehensive income.*

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

Consolidated Statements of Changes in Equity

Year ended 31 December 2011

	Share capital $'000	Capital reserve $'000	Equity compen-sation reserve $'000	Fair value reserve $'000	Currency translation reserve $'000	Hedging reserve $'000	Accumu-lated profits $'000	Other reserves $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 January 2010	4,605,000	17,013	–	9,881	(61,453)	(5,995)	922,647	(27,621)	5,459,472	53,413	5,512,885
Impact of change in accounting policy (Note 2.1 (e) (i))	–	–	–	–	–	–	(119,431)	–	(119,431)	–	(119,431)
At 1 January 2010, as restated	4,605,000	17,013	–	9,881	(61,453)	(5,995)	803,216	(27,621)	5,340,041	53,413	5,393,454
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	541,337	–	541,337	7,601	548,938
Other comprehensive income											
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans	–	–	–	–	(36,010)	–	–	–	(36,010)	(1,429)	(37,439)
Change in fair value of available-for-sale investments	–	–	–	25,936	–	–	–	–	25,936	–	25,936
Effective portion of change in fair value of cash flow hedges	–	–	–	–	–	(344)	–	–	(344)	–	(344)
Share of other comprehensive income of associates and jointly-controlled entities	–	–	–	–	(12,010)	4,122	–	–	(7,888)	–	(7,888)
Total other comprehensive income	–	–	–	25,936	(48,020)	3,778	–	–	(18,306)	(1,429)	(19,735)
Total comprehensive income for the year 2010	–	–	–	25,936	(48,020)	3,778	541,337	–	523,031	6,172	529,203

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

Consolidated Statements of Changes in Equity

Year ended 31 December 2011

	Share capital $'000	Capital reserve $'000	Equity compen-sation reserve $'000	Fair value reserve $'000	Currency translation reserve $'000	Hedging reserve $'000	Accumu-lated profits $'000	Other reserves $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group (cont'd)											
Transactions with owners, recorded directly in equity											
Capital contributions	–	–	–	–	–	–	–	–	–	126	126
Share of associate's movement in capital reserve	–	(2,386)	–	–	–	–	–	–	(2,386)	–	(2,386)
Dividends paid of $0.01 per share	–	–	–	–	–	–	(38,840)	–	(38,840)	–	(38,840)
Share-based payments	–	3,374	3,299	–	–	–	–	–	6,673	–	6,673
Total contributions by and distributions to owners	–	988	3,299	–	–	–	(38,840)	–	(34,553)	126	(34,427)
Transfer between reserves	–	615	–	–	–	–	(615)	–	–	–	–
At 31 December 2010, as restated	4,605,000	18,616	3,299	35,817	(109,473)	(2,217)	1,305,098	(27,621)	5,828,519	59,711	5,888,230

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

Consolidated Statements of Changes in Equity

Year ended 31 December 2011

	Share capital $'000	Capital reserve $'000	Equity compen-sation reserve $'000	Fair value reserve $'000	Currency translation reserve $'000	Hedging reserve $'000	Accumu-lated profits $'000	Other reserves $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 January 2011	4,605,000	18,616	3,299	35,817	(109,473)	(2,217)	1,305,098	(27,621)	5,828,519	59,711	5,888,230
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	456,008	–	456,008	38,210	494,218
Other comprehensive income											
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans	–	–	–	–	11,412	–	–	–	11,412	9,882	21,294
Change in fair value of available-for-sale investments	–	–	–	46,403	–	–	–	–	46,403	–	46,403
Effective portion of change in fair value of cash flow hedges	–	–	–	–	–	151	–	–	151	–	151
Share of other comprehensive income of associates and jointly-controlled entities	–	–	–	–	17,682	(1,500)	–	–	16,182	–	16,182
Total other comprehensive income	–	–	–	46,403	29,094	(1,349)	–	–	74,148	9,882	84,030
Total comprehensive income for the year 2011	–	–	–	46,403	29,094	(1,349)	456,008	–	530,156	48,092	578,248

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

Consolidated Statements of Changes in Equity

Year ended 31 December 2011

	Share capital $'000	Capital reserve $'000	Equity compen-sation reserve $'000	Fair value reserve $'000	Currency translation reserve $'000	Hedging reserve $'000	Accumu-lated profits $'000	Other reserves $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group (cont'd)											
Transactions with owners, recorded directly in equity											
Issue of shares	2,514	–	(2,514)	–	–	–	–	–	–	–	–
Effects of acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	142,390	142,390
Effects of liquidation of subsidiary	–	–	–	–	–	–	–	–	–	(33)	(33)
Share of associate's movement in capital reserve	–	(2,216)	–	–	–	–	–	–	(2,216)	–	(2,216)
Dividends paid to shareholders[1]	–	–	–	–	–	–	(135,978)	–	(135,978)	–	(135,978)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(26)	(26)
Share-based payments	–	280	6,230	–	–	–	–	–	6,510	–	6,510
Total contributions by and distributions to owners	2,514	(1,936)	3,716	–	–	–	(135,978)	–	(131,684)	142,331	10,647
Transfer between reserves	–	390	–	–	–	–	(390)	–	–	–	–
At 31 December 2011	4,607,514	17,070	7,015	82,220	(80,379)	(3,566)	1,624,738	(27,621)	6,226,991	250,134	6,477,125

1 *Dividends were declared and paid for the financial year 2010 of $0.02 per share and for the financial year 2011 of $0.015 per share.*

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

Statements of Changes in Equity

Year ended 31 December 2011

	Share capital $'000	Capital reserve $'000	Equity compensation reserve $'000	Accumulated profits $'000	Total equity $'000
Company					
At 1 January 2010	4,605,000	19,446	–	84,126	4,708,572
Total comprehensive income for the year					
Profit for the year	–	–	–	82,568	82,568
Transactions with owners, recorded directly in equity					
Dividends paid of $0.01 per share	–	–	–	(38,840)	(38,840)
Share-based payments	–	2,426	3,299	–	5,725
Total transactions with owners	–	2,426	3,299	(38,840)	(33,115)
At 31 December 2010	4,605,000	21,872	3,299	127,854	4,758,025

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

Statements of Changes in Equity

Year ended 31 December 2011

	Share capital $'000	Capital reserve $'000	Equity compensation reserve $'000	Accumulated profits $'000	Total equity $'000
Company					
At 1 January 2011	4,605,000	21,872	3,299	127,854	4,758,025
Total comprehensive income for the year					
Profit for the year	–	–	–	98,892	98,892
Transactions with owners, recorded directly in equity					
Issue of shares	2,514	–	(2,250)	–	264
Dividends paid[1]	–	–	–	(135,978)	(135,978)
Share-based payments	–	533	5,068	–	5,601
Total transactions with owners	2,514	533	2,818	(135,978)	(130,113)
At 31 December 2011	4,607,514	22,405	6,117	90,768	4,726,804

1 *Dividends were paid for the financial year 2010 of $0.02 per share and for the financial year 2011 of $0.015 per share.*

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

Consolidated Statements of Cash Flows

Year ended 31 December 2011

	Note	2011 $'000	2010 $'000 (Restated)
Cash Flows from Operating Activities			
Profit after Taxation		494,218	548,938
Adjustments for:			
Depreciation of plant and equipment		6,826	7,206
Loss on disposal/write-off of plant and equipment		64	618
Net fair value gain of investment properties and properties under development		(200,934)	(37,375)
Management fees received in units		(17,333)	(12,376)
Interest expense		33,312	25,603
Interest income		(23,591)	(26,037)
Share of results of associates and jointly-controlled entities, net of tax		(348,945)	(475,884)
Gain on disposal of investment properties		–	(10,365)
Gain on disposal/dilution of associates		(14,789)	(2,524)
Share-based payment expenses		8,343	8,997
Taxation		74,341	28,871
		11,512	55,672
Changes in working capital:			
Trade and other receivables		2,233	55,133
Trade and other payables (including security deposits)		27,644	(35,968)
Cash generated from Operations		41,389	74,837
Income tax paid		(33,463)	(19,646)
Net Cash Flows generated from Operating Activities		7,926	55,191
Cash Flows from Investing Activities			
Interest income received		6,226	5,246
Dividends received from associates and jointly-controlled entities		332,146	98,987
Proceeds from disposal of plant and equipment		7	1,287
Proceeds from disposal of investment properties		–	905,494
Proceeds from divestment of associates		9,440	9,166
Proceeds of loans and advances from/ (to) associates and jointly-controlled entities		60,865	(110,145)
Acquisition of subsidiaries, net of cash acquired	28	(247,263)	(74,421)
Liquidation of subsidiaries, net of cash received		(8)	–
Investment in associates and jointly-controlled entities		(288,838)	(14,020)
Investment in available-for-sale investments		(135,857)	(31,717)
Advances to investee companies		(56,052)	–
Additions to investment properties and properties under development		(376,361)	(76,676)
Deposits and prepayments to acquire investment properties and properties under development		(13,441)	(83,777)
Purchase of plant and equipment		(9,885)	(7,711)
Net Cash Flows (used in)/generated from Investing Activities		(719,021)	621,713

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

Consolidated Statements of Cash Flows

Year ended 31 December 2011

	Note	2011 $'000	2010 $'000 (Restated)
Cash Flows from Financing Activities			
Loans advances from/(repayment of loans to) non-controlling interests		**9,157**	(124)
Proceeds from bank borrowings		**260,000**	250,000
Proceeds from issue of debt securities		**283,458**	350,000
Repayment of loan to former non-controlling interests		**(271)**	(20,121)
Contributions from non-controlling interests		**–**	126
Repayment of bank borrowings		**(12,017)**	(356,210)
Repayment of debt securities		**–**	(64,438)
Refund of deposits placed		**–**	1,164
Dividends paid		**(135,978)**	(38,840)
Dividends paid to non-controlling interests		**(26)**	–
Interest expense paid		**(31,585)**	(21,679)
Net Cash Flows generated from Financing Activities		**372,738**	99,878
Net (Decrease)/Increase in cash and cash equivalents		**(338,357)**	776,782
Cash and cash equivalents at beginning of the year		**1,318,312**	543,142
Effect of exchange rate changes on cash balances held in foreign currencies		**(4,476)**	(1,612)
Cash and cash equivalents at 31 December	13	**975,479**	1,318,312

Significant non-cash transactions

There were the following significant non-cash transactions:

(i) During 2011, a subsidiary received 3,618,997 units in CapitaRetail China Trust ("CRCT"), amounting to a fair value of $4.4 million as payment of Manager's fees for the period from 1 October 2010 to 30 September 2011 and fees for acquisition of a shopping mall during the year.

(ii) During 2011, a subsidiary received 4,493,040 units in CapitaMall Trust ("CMT"), amounting to a fair value of $8.3 million as payment of Manager's fees for the period from 1 October 2010 to 30 September 2011 and fees for acquisition of a shopping mall during the year.

(iii) During 2011, a subsidiary received 5,889,100 units in CapitaMalls Malaysia Trust ("CMMT"), amounting to a fair value of $2.8 million as payment of Manager's fees for the period from 16 July 2010 to 30 June 2011 and fees for acquisition of a shopping mall during the year.

(iv) During 2010, a subsidiary received 2,527,219 units in CRCT, amounting to a fair value of $3.1 million as payment of Manager's fees for the period from 16 November 2009 to 30 September 2010.

(v) During 2010, a subsidiary received 4,990,838 units in CMT, amounting to a fair value of $9.3 million as payment of Manager's fees for the period from 16 November 2009 to 30 September 2010.

(vi) During 2010, the Group disposed of three investment properties to a related corporation, CMMT, at a consideration of $889.7 million, which was settled by cash proceeds of $637.5 million and by way of issuance of 563.5 million units in CMMT to the Group.

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 21 February 2012.

1. DOMICILE AND ACTIVITIES

CapitaMalls Asia Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 39 Robinson Road, #18-01, Robinson Point, Singapore 068911.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 34 to the financial statements.

The immediate and ultimate holding company is CapitaLand Limited which is incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (the "Group") and the Group's interests in associates and jointly-controlled entities.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") issued by the Singapore Accounting Standards Council.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

The preparation of financial statements in conformity with FRS requires management to make judgments, 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(d) Use of estimates and judgments (Cont'd)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 4 – Valuation of investment properties

Note 5 – Valuation of properties under development

Note 12 – Recoverability of loans and receivables

Note 32 – Valuation of financial instruments

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 10 – Utilisation of tax losses

Note 30 – Contingent liabilities

(e) Changes in accounting policies

(i) Adoption of INT FRS 115 Agreements for the Construction of Real Estate

The Group adopted INT FRS 115 *Agreements for the Construction of Real Estate* which clarifies when revenue and related expenses from a sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Contracts which are not classified as construction contracts in accordance with FRS 11 *Construction Contracts* can only be accounted for under the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

The Group has certain interests in residential property held through its interest in jointly-controlled entities. Prior to the adoption of INT FRS 115, the Group’s accounting policy for all residential property sales was to recognise revenue on percentage of completion method which is an allowed alternative method under Recommended Accounting Practice 11 – *Pre-Completion Contracts For The Sale Of Development Property* (“RAP 11”). RAP 11 has been withdrawn with effect from 1 January 2011 following the adoption of INT FRS 115.

The Group has considered the application of INT FRS 115 and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore, and concluded that whilst the “pre-completion” sale contracts were not, in substance, construction contracts, the legal terms in certain contracts results in the continuous transfer of work in progress to the purchaser. Consequently the Group will continue to adopt the percentage of completion method of revenue recognition for residential projects under progressive payment scheme in Singapore, and hence, for these contracts revenue is recognised as work progresses. For the residential projects in Singapore under the deferred payment scheme and overseas residential projects, if applicable, the construction revenue and expenses will be recognised on the transfer of significant risk and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(e) Changes in accounting policies (Cont'd)

(i) Adoption of INT FRS 115 Agreements for the Construction of Real Estate (Cont'd)

This change in accounting policy has been applied retrospectively and comparative financial information of the Group for the year ended 31 December 2010 has been adjusted so that it is also in conformity with the change in accounting policy as described above. The effects of the adjustment on the Group's financial information are set out below:

	December 31, 2010		December 31, 2009	
	As restated $'000	As previously stated $'000	As restated $'000	As previously stated $'000
Statement of financial position				
Non-current assets				
Jointly-controlled entities	1,043,656	1,043,656	675,398	794,829
Income statement				
Share of results (net of tax) of jointly-controlled entities	363,060	243,629	423,447	542,878
Profit for the year	548,938	429,507	274,225	393,656
Profit attributable to owners of the Group	541,337	421,906	268,665	388,096
Basic earnings per share (cents)	13.9	10.9	13.9	20.1
Diluted earnings per share (cents)	13.9	10.9	13.9	20.1

This change in accounting policy has no impact on the Company statement of financial position or income statement.

(ii) Adoption of Revised FRS 24 Related Party Disclosures

Revised FRS 24 *Related Party Disclosures* modifies the definition of a related party and simplifies disclosures for government-related entities. The Group has adopted the revised standard with effect from 1 January 2011 and there is no material change in disclosures reported for the current and prior years.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.1(e), which addresses changes in accounting policies.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(a) 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 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For non-controlling interests that are present ownership interest and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them 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. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

(ii) Subsidiaries

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

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have 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, 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 on the loss of control is recognised in 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Special purpose entities

The Group has established a number of special purpose entities ("SPE") for investment purposes. The Group may not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group, and the SPE's risks and rewards, the Group concludes that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks incident to the SPEs' activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

(iv) Associates and jointly-controlled entities

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. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly-controlled entities (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 include transaction costs.

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 reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions.

(vi) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(vii) Accounting for subsidiaries, associates and jointly-controlled entities by the Company

Investments in subsidiaries, associates and jointly-controlled entities are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currencies

(i) 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 exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from retranslation are recognised in profit or loss, except for differences arising from the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation (see 2.2(b)(iii)), or qualifying cash flow hedges, which are recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising from the acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. 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 closing rate.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the 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 of 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 profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or jointly-controlled entity that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(b) Foreign currencies (Cont'd)

(ii) Foreign operations (Cont'd)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

(iii) Hedge of a net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency (Singapore dollars), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent the hedge is effective, and presented within equity in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

(c) Plant and equipment

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

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised on a straight-line basis over their estimated useful lives of each component of an item of plant and equipment as follows:

Improvement to premises	–	3 to 5 years
Plant, machinery and other improvements	–	3 to 10 years
Motor vehicles	–	5 years
Furniture, fittings and equipment	–	2 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if necessary, at each reporting date.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(d) Investment properties and properties under development

Investment properties are properties held either to earn rental income or for capital appreciation or both. Properties under development are properties being constructed or developed for future use as investment properties. They are not for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Investment properties and 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. Rental income from investment properties is accounted for in the manner described in Note 2.2(l). The fair value is based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every three years.

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

(e) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in available-for-sale investments, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. 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 asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. 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 liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits.

Available-for-sale financial assets

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than for impairment losses, and foreign exchange differences on available-for-sale monetary items, are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Investment in equity securities whose fair value cannot be reliably measured are measured at cost less impairment loss.

Notes to the Financial Statements

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(e) Financial instruments (Cont'd)

(i) Non-derivative financial instruments (Cont'd)

Others

Subsequent to initial recognition, other non-derivative financial instruments which are categorised as loans and receivables or financial liabilities are measured at amortised cost using the effective interest method, less any impairment losses.

(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.

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.

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. To the extent that the hedge is ineffective, changes in fair value are recognised in 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 in equity is reclassified to profit or loss.

When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in equity is transferred to 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 profit or loss. The hedged item is stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the profit or loss.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(e) Financial instruments (Cont'd)

(iii) 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 classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of (i) the amount that would be recognised if they were accounted for as contingent liabilities; and (ii) the initial fair value less cumulative amortisation. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to 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 balance sheet date.

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.

(iv) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(e) Financial instruments (Cont'd)

(iv) Impairment of financial assets (Cont'd)

Impairment losses on available-for-sale financial asset 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 profit or loss. Changes in impairment provision attributable to application of the effective interest method are reflected as a component of interest income.

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 profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in 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.

(f) Impairment – non-financial assets

The carrying amounts of the Group’s non-financial assets, other than investment properties, properties under development 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. An impairment loss is recognised if the carrying amount of an asset or its 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.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. 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 amount of the other assets in the unit (group of units) on a pro-rata basis.

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 is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(g) Development properties for sale

Development properties for sale are stated at the lower of cost plus, where appropriate, 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.

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(i) Employee benefits

Short term employee benefits

All short term employee benefits, including accumulated compensated absences, are recognised in profit or loss 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 as incurred.

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 date of the grant. 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.

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 remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised as an expense for the period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(i) Employee benefits (Cont'd)

Share-based payments (Cont'd)

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.

(j) 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.

(k) Leases

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 in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to 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 investment properties (see Note 2.2(d)).

(l) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised in profit or loss 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.

Management and consultancy fee

Management and consultancy fee is recognised in profit or loss as and when services are rendered.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(l) Revenue recognition (Cont'd)

Development properties for sale

The Group recognises income on property development projects when the controls and significant risks and rewards of ownership of the work-in-progress in its current state have been continuously transferred to the buyer as the construction progresses. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or equitable interest, revenue is recognised as the acts are performed 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. Depending on the selling conditions associated with each development project, revenue is generally not recognised if the Group provides various guarantees and other financial support to the buyers ("continuing involvement") during the period of property development. Such continuing involvement by the Group would then require revenue to be deferred until the Group's continuing involvement ceases.

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.

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.

(m) Government grants – Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt. This scheme had ended as of March 2010.

(n) Finance costs

Borrowing costs are recognised in profit or loss using the effective interest method in the period in which they are incurred, 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Significant accounting policies (Cont'd)

(o) Taxation

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(p) 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, and the effects of all dilutive potential ordinary shares, which comprise awards of performance and restricted shares granted to employees.

(q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are reviewed and used by the management for strategic decisions making and resources allocation.

(r) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

3. PLANT AND EQUIPMENT

	Improve-ment to premises $'000	Plant, machinery and other improve-ments $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Group					
Cost					
At 1 January 2010	3,209	1,145	312	25,483	30,149
Additions	1,861	14	–	5,836	7,711
Reclassifications	439	–	–	(439)	–
Disposals/write-offs	(976)	(1,127)	(191)	(3,260)	(5,554)
Translation differences on consolidation	(59)	(1)	(8)	(253)	(321)
At 31 December 2010	4,474	31	113	27,367	31,985
At 1 January 2011	4,474	31	113	27,367	31,985
Additions	1,814	4	9	8,058	9,885
Reclassifications	451	–	–	(451)	–
Disposals/write-offs	(55)	–	–	(700)	(755)
Translation differences on consolidation	85	(2)	3	272	358
At 31 December 2011	6,769	33	125	34,546	41,473
Accumulated depreciation					
At 1 January 2010	1,580	990	195	12,698	15,463
Depreciation charge for the year	1,540	38	36	5,592	7,206
Disposals/write-offs	(644)	(1,017)	(156)	(1,832)	(3,649)
Translation differences on consolidation	(42)	–	(5)	(185)	(232)
At 31 December 2010	2,434	11	70	16,273	18,788
At 1 January 2011	2,434	11	70	16,273	18,788
Depreciation charge for the year	1,218	8	21	5,579	6,826
Disposals/write-offs	(42)	–	–	(642)	(684)
Translation differences on consolidation	67	(1)	3	278	347
At 31 December 2011	3,677	18	94	21,488	25,277
Carrying amount					
At 1 January 2010	1,629	155	117	12,785	14,686
At 31 December 2010	2,040	20	43	11,094	13,197
At 31 December 2011	3,092	15	31	13,058	16,196

3. PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and equipment $'000
Company	
Cost	
At 1 January 2010	10,948
Additions	2,733
Disposals/write-offs	(71)
At 31 December 2010	13,610
At 1 January 2011	13,610
Additions	3,504
Disposals/write-offs	(220)
At 31 December 2011	16,894
Accumulated depreciation	
At 1 January 2010	6,294
Depreciation charge for the year	3,091
Disposals/write-offs	(67)
At 31 December 2010	9,318
At 1 January 2011	9,318
Depreciation charge for the year	2,439
Disposals/write-offs	(218)
At 31 December 2011	11,539
Carrying amount	
At 1 January 2010	4,654
At 31 December 2010	4,292
At 31 December 2011	5,355

4. INVESTMENT PROPERTIES

	GROUP	
	2011 $'000	2010 $'000
At 1 January	**304,429**	1,378,567
Additions	**275,303**	11,074
Disposals	**–**	(1,147,329)
Changes in fair value	**36,514**	22,176
Translation differences	**2,742**	39,941
At 31 December	**618,988**	304,429

4. INVESTMENT PROPERTIES (CONT'D)

(a) Investment properties are stated at fair value based on internal valuations or valuations performed by independent professional valuers. All of the properties were independently valued during the year. 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, prudently 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 judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions and that the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered valuation techniques including the direct comparison method, discounted cash flow method and/or capitalisation approach 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 discounted cash flow method involves 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. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of the market and the selection of a target internal rate of return consistent with current market requirements. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

Fair value of the investment properties were based on independent professional valuations carried out by the following valuers on the dates stated below:

Valuers	Valuation Date	Valuation Date
Knight Frank Petty Limited	31 December 2011	–
PPC International Sdn Bhd	31 December 2011	–
DTZ Debenham Tie Leung	–	31 December 2010
CB Richard Ellis (Pte) Ltd	–	31 December 2010

(b) Investment properties comprise retail properties that are held mainly for use by tenants under operating leases. In the current year, most leases contain an initial non-cancellable period of three to six years. In the previous year, there is no non-cancellable operating lease commitment.

(c) Contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss during the year amounted to $3.5 million (2010: $4.8 million).

(d) At 31 December 2011, certain investment properties with carrying value totalling approximately $617.5 million (2010: $304.4 million) were mortgaged to banks either to secure credit facilities or for the issuance of notes for the Group (Note 16).

Notes to the Financial Statements

5. PROPERTIES UNDER DEVELOPMENT

	GROUP 2011 $'000	GROUP 2010 $'000
At 1 January	**288,848**	127,666
Additions	**147,666**	76,357
Acquisitions of subsidiaries	**428,255**	72,100
Changes in fair value	**164,420**	15,199
Translation differences	**30,913**	(2,474)
At 31 December	**1,060,102**	288,848

Properties under development are stated at fair value (see also Note 4(a)) based on valuations performed by independent professional valuer, CB Richard Ellis (Pte) Ltd, on 31 December 2011 and 2010. The valuer has considered valuation techniques including the residual land method, in arriving at the market value as at 31 December 2011 and 2010.

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.

6. SUBSIDIARIES

	Note	COMPANY 2011 $'000	COMPANY 2010 $'000
Unquoted equity shares, at cost		**354,242**	302,979
Loans to subsidiaries:			
– Interest-free	(a)	**2,896,905**	1,748,870
– Interest-bearing	(b)	**232,371**	841,550
Impairment of loan receivables	(c)	**(146,241)**	(46,861)
		3,337,277	2,846,538

(a) The interest-free loans to subsidiaries are unsecured. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Company's net investment in subsidiaries, they are stated at cost less accumulated impairment losses.

(b) The interest-bearing loans to subsidiaries are unsecured, bear interest of 0.40% (2010: 0.31%) per annum and are fully repayable in 2015.

(c) On the balance sheet date, the Company carried out a review of the recoverable amount of its net investments in subsidiaries which led to the recognition of impairment losses in certain subsidiaries of $99.4 million (2010: $19.1 million) in the profit or loss. Cumulative impairment stood at $146.2 million (2010: $46.9 million). The recoverable amount was estimated based on the higher of the value in use calculated using cash flow projections arising from financial budgets and forecasts covering a period of up to five years, or the fair value of the net assets as at balance sheet date. Cash flows beyond the initial period are extrapolated using the estimated rates stated below.

6. SUBSIDIARIES (CONT'D)

Key assumptions used for value-in-use calculations

	2011	2010
Growth rates	-0.10% to 7.50%	8.70%
Discount rates	5.50% to 13.51%	13.74%

(d) Details of the subsidiaries are set out in Note 34.

7. ASSOCIATES

	GROUP	
	2011	2010
	$'000	$'000
(a) Interests in associates	**3,521,066**	3,119,729

(b) The summarised financial information of the associates, not adjusted for the percentage of ownership held by the Group, is as follows:

	GROUP	
	2011	2010
	$'000	$'000
Statement of financial position		
Total assets	**18,404,803**	15,936,453
Total liabilities	**(7,423,373)**	(6,217,925)
Income statement		
Revenue	**1,077,066**	910,932
Profit after taxation	**613,992**	420,358

(c) The Group's share of contingent liabilities of the associates is $3.6 million (2010: $2.3 million).

(d) In relation to investments in associates with carrying amount of $2,017.5 million (2010: $1,992.9 million) for which there are published price quotations, the fair value as at 31 December 2011 was $2,154.8 million (2010: $2,284.0 million).

(e) Details of the associates are set out in Note 35.

Notes to the Financial Statements

8. JOINTLY-CONTROLLED ENTITIES

		GROUP 2011 $'000	GROUP 2010 $'000	GROUP 2009 $'000 (Restated)
(a)	Cost of investment in jointly-controlled entities	**1,727**	825	848
	Share of reserves of jointly-controlled entities	**720,995**	772,831	404,550
	Loans to jointly-controlled entities	**414,139**	270,000	270,000
		1,136,861	1,043,656	675,398

(b) The Group's proportionate share of results, assets and liabilities of the jointly-controlled entities are as follows:

	GROUP 2011 $'000	GROUP 2010 $'000 (Restated)	GROUP 2009 $'000 (Restated)
Assets and liabilities			
Current assets	**450,643**	435,089	313,834
Non-current assets	**2,172,476**	1,307,072	1,244,013
Total assets	**2,623,119**	1,742,161	1,557,847
Current liabilities	**(276,719)**	(146,111)	(116,585)
Non-current liabilities	**(1,623,678)**	(822,394)	(1,035,864)
Total liabilities	**(1,900,397)**	(968,505)	(1,152,449)
Capital commitments in relation to interests in jointly-controlled entities	**232,787**	295,833	–
Proportionate interest in jointly-controlled entities' capital commitments	**290,856**	295,833	120,841
Results			
Revenue	**141,010**	682,006	94,030
Changes in fair value of investment properties	**96,831**	66,913	402,031
Expenses	**(74,564)**	(324,793)	(66,633)
Profit before taxation	**163,277**	424,126	429,428
Taxation	**(9,632)**	(61,066)	(5,981)
Profit for the year	**153,645**	363,060	423,447

(c) The loans to jointly-controlled entities are unsecured and borne interest ranging from 1.28% to 2.44% (2010 and 2009: 3.74%) per annum with no fixed terms of repayment. The settlements of the loans are neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Group's net investment in a jointly-controlled entity, they are stated at cost.

(d) Details of the jointly-controlled entities are set out in Note 36.

Notes to the Financial Statements

9. OTHER INVESTMENTS

	GROUP 2011 $'000	GROUP 2010 $'000
Available-for-sale investments – unquoted equity securities	**425,622**	378,653

During the year, the Group injected an additional $6.5 million (2010: $31.7 million) in Raffles City China Fund, of which the Group has an equity interest of 15%. In addition, the Group also injected an additional $0.1 million into a company, which owns an investment property, Raffles City Changning, of which the Group has an equity interest of 17.1%. This company was acquired from a related corporation in 2010.

10. DEFERRED TAXATION

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

Group	At 1 January $'000	Recognised in profit or loss (Note 26) $'000	Translation differences $'000	At 31 December $'000
2011				
Accelerated tax depreciation	11,988	1,317	523	13,828
Investment properties and properties under development	21,133	45,708	4,352	71,193
Total	33,121	47,025	4,875	85,021
Deferred tax assets				
Unutilised tax losses	(203)	203	–	–

Notes to the Financial Statements

10. DEFERRED TAXATION (CONT'D)

	At 1 January $'000	Recognised in profit or loss (Note 26) $'000	Acquisition of subsidiaries $'000	Translation differences $'000	At 31 December $'000
Group					
2010					
Deferred tax liabilities					
Accelerated tax depreciation	8,453	3,983	–	(448)	11,988
Investment properties	21,612	(3,202)	2,992	(269)	21,133
Total	30,065	781	2,992	(717)	33,121
Deferred tax assets					
Unutilised tax losses	(203)	–	–	–	(203)

	At 1 January 2010 $'000	Recognised in profit or loss (Note 26) $'000	At 31December 2010 $'000	Recognised in profit or loss (Note 26) $'000	At 31 December 2011 $'000
Company					
Deferred tax liability					
Accelerated tax depreciation	223	116	339	111	450

Deferred tax assets have not been recognised in respect of the following:

	GROUP	
	2011 $'000	2010 $'000
Tax losses	**98,758**	69,224

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.

11. OTHER ASSETS

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Loan receivable	**56,052**	16,627	**–**	–
Prepayments	**40,991**	–	**–**	–
Others	**2**	242	**2**	–
	97,045	16,869	**2**	–

Notes to the Financial Statements

11. OTHER ASSETS (CONT'D)

At 31 December 2011 and 2010, the loan receivable relates to an unsecured and interest-free loan with no fixed terms of repayment to an investee company. The amount is in substance, a part of the Group's net investment in an available-for-sale investment which is stated at cost.

Prepayments of $41.0 million as at 31 December 2011 relate to progress payments for properties under development.

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Trade receivables	**27,661**	25,394	**42**	33
Allowance for doubtful receivables	**(547)**	(736)	**(29)**	–
Net trade receivables	**27,114**	24,658	**13**	33
Amounts due from subsidiaries:				
– trade	**–**	–	**47,423**	30,854
– non-trade (interest-free)	**–**	–	**1,132,841**	1,394,126
– non-trade (interest-bearing)	**–**	–	**480,285**	734,716
Amounts due from related corporations:				
– trade	**377**	745	**–**	317
Amounts due from associates:				
– trade	**15,121**	19,937	**834**	3
– non-trade (interest-free)	**5,786**	3,694	**–**	–
– loan account (interest-free)	**1,851**	5,787	**–**	–
– loan account (interest-bearing)	**136,406**	177,573	**–**	–
Amounts due from jointly-controlled entities:				
– trade	**177**	720	**164**	532
– non-trade (interest-free)	**–**	46,010	**–**	–
– loan account (interest-free)	**9,451**	117,355	**–**	–
Deposits	**3,751**	68,420	**321**	350
Other receivables	**13,794**	12,436	**742**	829
	186,714	452,677	**1,662,610**	2,161,727
Allowance for doubtful receivables	**(635)**	(394)	**–**	–
Loans and receivables	**213,193**	476,941	**1,662,623**	2,161,760
Prepayments	**4,669**	21,340	**85**	3
	217,862	498,281	**1,662,708**	2,161,763

All non-trade balances are unsecured and repayable on demand.

At balance sheet date, deposits of Nil (2010: $65.2 million) were paid to acquire investments in subsidiaries and investment properties.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

The effective interest rate at the balance sheet date of interest-bearing loans in the Group to associates is 7.87% (2010: 5.83%) per annum. The effective interest rates at the balance sheet date of interest-bearing loans in the Company to its subsidiaries range from 0.18% to 0.21% (2010: 0.18% to 0.19%) per annum.

Other receivables includes distributable income receivable from an associate of $9.7 million (2010: Nil) which has been received subsequent to year-end.

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

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

(a) The maximum exposure to credit risk for loans and receivables at the reporting date (by country) is:

	Gross 2011 $'000	Allowance for doubtful receivables 2011 $'000	Gross 2010 $'000	Allowance for doubtful receivables 2010 $'000
Group				
Singapore	38,813	(140)	192,084	(144)
China	166,134	(52)	239,345	(50)
Malaysia	4,665	(965)	40,373	(936)
Japan	3,347	–	4,754	–
India	1,356	–	1,489	–
Others	60	(25)	26	–
	214,375	(1,182)	478,071	(1,130)
Company				
Singapore	891,903	(4)	1,247,112	–
China	708,823	–	857,520	–
Malaysia	26,607	–	23,003	–
India	29,794	–	29,390	–
Japan	5,500	–	4,709	–
Others	25	(25)	26	–
	1,662,652	(29)	2,161,760	–

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) The ageing of loans and receivables at the reporting date is as follows:

	Gross 2011 $'000	Allowance for doubtful receivables 2011 $'000	Gross 2010 $'000	Allowance for doubtful receivables 2010 $'000
Group				
Not past due	203,424	–	448,779	–
Past due 1 – 30 days	6,302	(20)	13,530	(14)
Past due 31 – 90 days	2,044	(35)	6,854	(102)
Past due more than 90 days	2,605	(1,127)	8,908	(1,014)
	214,375	(1,182)	478,071	(1,130)
Company				
Not past due	1,631,813	–	2,143,006	–
Past due 1 – 30 days	19,561	–	5,616	–
Past due 31 – 90 days	5,518	–	2,661	–
Past due more than 90 days	5,760	(29)	10,477	–
	1,662,652	(29)	2,161,760	–

(c) The movement in allowances for doubtful debts in respect of loans and receivables during the year is as follows:

	GROUP 2011 $'000	GROUP 2010 $'000	COMPANY 2011 $'000	COMPANY 2010 $'000
At 1 January	**1,130**	800	**–**	–
Provision made during the year	**114**	331	**29**	–
Write-off	**(40)**	–	**–**	–
Translation differences	**(22)**	(1)	**–**	–
At 31 December	**1,182**	1,130	**29**	–

Notes to the Financial Statements

13. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Fixed deposits with financial institutions	**178,691**	624,315	**–**	–
Cash at banks	**796,788**	693,997	**1,069**	927
Cash and cash equivalents in the statement of financial position	**975,479**	1,318,312	**1,069**	927

The effective interest rates relating to fixed deposits with financial institutions at the balance sheet date for the Group and Company range from 0% to 8.80% (2010: 0.22% to 2.85%) and Nil (2010: Nil) per annum respectively.

14. SHARE CAPITAL

	COMPANY	
	2011	2010
	No. of shares '000	No. of shares '000
Fully paid ordinary shares, with no par value:		
At 1 January	**3,884,000**	3,884,000
Issue of shares under share plans	**1,082**	–
At 31 December	**3,885,082**	3,884,000

During the year ended 31 December 2011, 1,081,827 shares were issued under the Share Plans as detailed in Note 21.

The holders of ordinary 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 rank equally with regards to the Company's residual assets.

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 to equity ratio, which is defined as net borrowings divided by total equity (including non-controlling interests).

Notes to the Financial Statements

14. SHARE CAPITAL (CONT'D)

	GROUP	
	2011	2010
	$'000	$'000
Gross borrowings	**1,229,743**	699,952
Cash and cash equivalents	**(975,479)**	(1,318,312)
Net debt/(cash)	**254,264**	(618,360)
Total equity	**6,477,125**	5,888,230
Net debt to equity ratio	***0.04***	*n/m*

n/m: not meaningful.

The Group seeks to strike a balance between the higher returns that might be possible with higher levels of borrowings and the liquidity and security afforded by a sound capital position. There were no changes in the Group's approach to capital management during the year.

Three of the subsidiaries in the Group are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services license registered under 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 requirements throughout the year.

The Company and its other subsidiaries are not subject to externally imposed capital requirements.

15. RESERVES

	GROUP		COMPANY	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Capital reserve	**17,070**	18,616	**22,405**	21,872
Equity compensation reserve	**7,015**	3,299	**6,117**	3,299
Fair value reserve	**82,220**	35,817	**–**	–
Currency translation reserve	**(80,379)**	(109,473)	**–**	–
Hedging reserve	**(3,566)**	(2,217)	**–**	–
Accumulated profits	**1,624,738**	1,305,098	**90,768**	127,854
Other reserves	**(27,621)**	(27,621)	**–**	–
	1,619,477	1,223,519	**119,290**	153,025

The capital reserve comprises mainly the share of subsidiaries', associates' and jointly-controlled entities' capital reserve and the cumulative value of employee services received for the issue of the holding company's share options and shares under CapitaLand Limited's Performance Share Plan and Restricted Stock Plan.

15. RESERVES (CONT'D)

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the shares under the Company's Performance Share Plan and Restricted Stock Plan.

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

The 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 the Group's net investment in net foreign entities.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

Other reserves pertain to pre-acquisition reserves of those common control entities transferred to the Group during the 2009 corporate reorganization, where certain common control companies were transferred on 16 November 2009 to the Group from the Company's related corporations.

16. LOANS AND BORROWINGS

		GROUP		COMPANY	
		2011	2010	2011	2010
	Note	$'000	$'000	$'000	$'000
Non-current liabilities					
Secured bank loans	(i)	**78,670**	90,215	**–**	–
Unsecured bank loans	(i)	**356,695**	248,140	**–**	–
Secured notes	(ii)	**81,181**	–	**–**	–
Unsecured notes	(ii)	**349,427**	349,337	**–**	–
Unsecured retail bonds	(iii)	**124,832**	–	**–**	–
		990,805	687,692	**–**	–
Current liabilities					
Secured bank loans	(i)	**13,938**	12,260	**–**	–
Unsecured bank loans	(i)	**150,000**	–	**–**	–
Unsecured retail bonds	(iii)	**75,000**	–	**–**	–
		238,938	12,260	**–**	–
Total loans and borrowings		**1,229,743**	699,952	**–**	–

16. LOANS AND BORROWINGS (CONT'D)

(i) Secured and unsecured bank loans

Repayable:

	GROUP 2011 $'000	GROUP 2010 $'000	COMPANY 2011 $'000	COMPANY 2010 $'000
Within 1 year	**163,938**	12,260	**–**	–
From 1 to 2 years	**114,166**	163,173	**–**	–
From 2 to 5 years	**298,409**	140,950	**–**	–
After 5 years	**22,790**	34,232	**–**	–
After 1 year	**435,365**	338,355	**–**	–
	599,303	350,615	**–**	–

The secured bank loans are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of $346.8 million (2010: $304.4 million) (Note 4(d)). At 31 December 2011, the effective interest rates for bank borrowings range from 1.49% to 7.05% (2010: 1.43% to 6.40%) per annum.

(ii) Secured and unsecured notes

Repayable:

	GROUP 2011 $'000	GROUP 2010 $'000	COMPANY 2011 $'000	COMPANY 2010 $'000
Within 1 year	**–**	–	**–**	–
From 2 to 5 years	**81,181**	–	**–**	–
After 5 years	**349,427**	349,337	**–**	–
After 1 year	**430,608**	349,337	**–**	–
	430,608	349,337	**–**	–

The secured notes pertain to two classes of fixed rate senior notes issued by a subsidiary, Special Coral Sdn Bhd, in 2011 and were fully secured by mortgages on the investment property amounting to $270.7 million (2010: Nil) (Note 4(d)) owned by this subsidiary. The effective interest rates for the two classes of secured notes at the balance sheet date are 4.00% and 4.50% (2010: Nil) per annum respectively and the notes will mature on 1 April 2014.

The unsecured notes pertain to fixed rate notes issued by a subsidiary, CapitaMalls Asia Treasury Limited. The effective interest rate for unsecured notes at the balance sheet date is 3.95% (2010: 3.95%) per annum and the notes will mature on 24 August 2017.

16. LOANS AND BORROWINGS (CONT'D)

(iii) Unsecured retail bonds

Repayable:

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Within 1 year	75,000	–	–	–
From 2 to 5 years	124,832	–	–	–
After 1 year	124,832	–	–	–
	199,832	–	–	–

In 2011, CapitaMalls Asia Treasury Limited issued one-year and three-year retail bonds bearing interest of 1.00% and 2.15% per annum with maturity dates on 21 January 2012 and 21 January 2014, respectively. Subsequent to year-end, the one-year retail bonds were redeemed at par.

(iv) Intra-group financial guarantee

Intra-group financial guarantee comprises guarantees of $1,060.0 million (2010: $600.0 million) granted by the Company to a wholly-owned subsidiary in relation to its borrowings. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

(v) Inter-group undertakings

(a) In 2011, certain subsidiaries of the Group have provided undertakings on cost overrun, security margins and interest shortfall on a several basis, as well as project completion undertaking on a joint and several basis, in respect of term loan and revolving construction facilities amounting to the Group's proportionate share of $750.0 million granted to certain of its jointly-controlled entities. As at 31 December 2011, the proportionate share of aggregated amounts outstanding under the facilities was $575.0 million. The Group does not consider it probable that a claim will be made against the Group under the undertakings.

(b) In 2011, the Company has provided an undertaking on the ratio of total loans to total security value on a joint and several basis, in respect of term loan and revolving loan facilities amounting to the Company proportionate share of $809.0 million granted to a jointly-controlled entity. As at 31 December 2011, the proportionate share of aggregated amounts outstanding under the facilities was $809.0 million. The Group does not consider it probable that the ratios will be exceeded and a claim will be made against the Company under the undertaking.

17. OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Security deposits	11,204	5,950	–	–
Amounts owing to non-controlling interests (non-trade)	9,157	–	–	–
Other payables	1,095	1,082	440	1,022
Interest rate swaps	123	344	–	–
	21,579	7,376	440	1,022

As at 31 December 2011, the amounts owing to non-controlling interests relate to an unsecured and interest-free loan with no fixed terms of repayment.

18. TRADE AND OTHER PAYABLES

	Note	GROUP 2011 $'000	GROUP 2010 $'000	COMPANY 2011 $'000	COMPANY 2010 $'000
Trade payables		**28,116**	34,200	**1,838**	686
Accruals	19	**119,043**	62,608	**18,143**	3,434
Advance payments received		**3,782**	3,968	**–**	–
Rental and tender deposits		**7,199**	3,213	**–**	–
Other payables	20	**10,659**	10,712	**–**	93
Liability for employee benefits		**29,487**	26,492	**20,508**	18,869
Interest rate swaps		**69**	–	**–**	–
Amounts due to holding company (trade)		**8,013**	6,074	**8,013**	6,074
Amounts due to related corporations:					
– trade		**140**	267	**140**	269
– non-trade (interest-free)		**–**	147,501	**–**	–
Amounts due to subsidiaries:					
– trade		**–**	–	**537**	16
– non-trade (interest-free)		**–**	–	**228,786**	224,628
Amounts due to associates:					
– trade		**502**	84	**7**	–
– non-trade (interest-free)		**5,822**	6	**–**	–
Amounts due to jointly-controlled entities:					
– non-trade (interest-free)		**300**	–	**–**	–
Amounts due to non-controlling interests:					
– non-trade (interest-free)		**–**	73	**–**	–
– loan (interest-bearing)		**–**	198	**–**	–
		213,132	295,396	**277,972**	254,069

All non-trade balances are unsecured and repayable on demand.

At 31 December 2010, the non-trade amounts due to related corporations include the purchase consideration for the acquisition of 17.1% equity interest in an unquoted investment of $130.9 million (Note 9). This amount has been fully repaid during the year ended 31 December 2011.

The ageing of trade and other payables* at the reporting date is as follows:

	Gross 2011 $'000	Gross 2010 $'000
Group		
Not past due	**167,513**	246,497
Past due 1 to 30 days	**9,101**	11,197
Past due 31 to 90 days	**815**	958
Past due more than 90 days	**2,365**	6,284
	179,794	264,936

* *This excludes advanced payments received, liability for employee benefits and interest rate swaps.*

19. ACCRUALS

Accruals include accrued operating and development expenditure, accrued interest payable and accrued plant and equipment purchases.

20. OTHER PAYABLES

Other payables relate principally to retention sums.

21. EQUITY COMPENSATION BENEFITS

CMA Share Plan

The Company currently has share-based incentive plans, comprising the Performance Share Plan and the Restricted Stock Plan (collectively, referred to as the "CMA Share Plans"), whereby performance shares have been conditionally awarded to the employees of the Company. The Share Plans are administered by the Company's Executive Resource and Compensation Committee ("CMA ERCC") comprising Dr Loo Choon Yong, Mr Liew Mun Leong and Mr Sunil Tissa Amarasuriya.

Performance Share Plan

This relates to compensation costs of the Company's Performance Share Plan reflecting the benefits accruing to the employees of the Company over the service period to which the performance criteria relate. The Company granted awards of shares under the Performance Share Plan with effect from 2010.

Movements in the number of shares outstanding under the Performance Share Plan are summarised below:

	2011 ('000)	2010 ('000)
At 1 January	**872**	–
Granted	**1,326**	872
Lapsed/cancelled	**(40)**	–
At 31 December	**2,158**	872

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No shares 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 200% of the baseline award.

21. EQUITY COMPENSATION BENEFITS (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	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	**$1.19**	$1.88
Expected volatility based on average of peers' 36 months closing share prices prior to grant date	**25.70%**	36.38%
MSCI AC Asia ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	**26.92%**	26.06%
Share price at grant date	**$1.77**	$2.34
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	**0.44%**	0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	**1.15%**	0.71%
Correlation of return between MSCI AC Asia ex-Japan Real Estate Index and the peers' share price measured over 36 months prior to the grant date	**69.36%**	68.21%

Restricted Stock Plan – Equity-settled/Cash-settled

This relates to compensation costs of the Company's Restricted Stock Plan reflecting the benefits accruing to the employees of the Company over the service period to which the performance criteria relate. The Company granted awards of shares under the Restricted Stock Plan with effect from 2010.

The Company has instituted a set of share ownership guidelines for senior management who received shares under the Restricted Stock Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of the Company's shares acquired through the Restricted Stock Plan which will vary according to their job grades and base salaries.

Movements in the number of shares outstanding based on awards granted under the Restricted Stock Plan are summarised below:

	2011 ('000)	2010 ('000)
At 1 January	**4,117**	–
Granted	**6,036**	4,634
Released*	**(1,520)**	–
Lapsed/cancelled	**(646)**	(517)
At 31 December	**7,987**	4,117

* *The number of shares released during the year was 1,520,317 (2010: Nil), of which 438,490 (2010: Nil) were cash-settled.*

21. EQUITY COMPENSATION BENEFITS (CONT'D)

At the balance sheet date, the number of shares comprised in awards granted under the Restricted Stock Plan is as follows:

	31/12/2011			31/12/2010		
	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)#	3,672	1,536	5,208	2,907	1,210	4,117
Final number of shares determined but not released	1,988	791	2,779	–	–	–
	5,660	2,327	7,987	2,907	1,210	4,117

The final number of shares released could range from 0% to 150% of the baseline award.

The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No shares 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 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 Restricted Stock Plan to the non-executive directors.

Cash-settled awards of shares are measured at their current fair value at each balance sheet date.

The fair values of the equity-settled award of 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	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	**$1.69**	$2.30
Expected volatility based on average of peers' 36 months closing share prices prior to grant date	**25.70%**	36.38%
Share price at grant date	**$1.72**	$2.34
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	**0.32% to 0.45%**	0.38% to 0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	**1.14%**	0.71%

21. EQUITY COMPENSATION BENEFITS (CONT'D)

CapitaLand Share Plans

The Company's holding company, CapitaLand Limited ("CapitaLand"), has share-based incentive plans such as the CapitaLand Share Option Plan, the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan (collectively, referred to as the "CL Existing Share Plans") which were approved and adopted by the shareholders of CapitaLand at an Extraordinary General Meeting ("EGM") held on 16 November 2000.

A new CapitaLand Performance Share Plan 2010 and CapitaLand Restricted Share Plan 2010 (together, the "CL New Share Plans") were approved by the shareholders of CapitaLand at the EGM held on 16 April 2010. These new plans replaced the CapitaLand Performance Share Plan and CapitaLand Restricted Stock Plan under the CL Existing Share Plans. CapitaLand did not extend the duration of, or replace, the existing CapitaLand Share Option Plan. The CL Existing Share Plans were terminated following the adoption of the CL New Share Plans. However, all awards granted under the CL Existing Share Plans prior to its termination will continue to be valid and be subject to the terms and conditions of the CL Existing Share Plans.

Share Option Plan

CapitaLand ceased to grant options under the Share Option Plan with effect from 2007. Statutory information regarding the 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 CapitaLand's Executive Resource and Compensation Committee ("CL 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 to 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 CapitaLand options and their related weighted average exercise prices are as follows:

	Weighted average exercise price 2011 $	No. of options 2011 ('000)	Weighted average exercise price 2010 $	No. of options 2010 ('000)
At 1 January	2.74	2,442	2.86	3,826
Lapsed/cancelled	3.36	(26)	3.45	(110)
Exercised	2.00	(104)	2.89	(1,274)
At 31 December	2.76	2,312	2.74	2,442
Exercisable on 31 December	2.76	2,312	2.74	2,442

21. EQUITY COMPENSATION BENEFITS (CONT'D)

Options exercised in 2011 resulted in 103,774 (2010: 1,273,953) shares being issued at a weighted average market price of $3.31 (2010: $3.87) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $2.94 (2010: $3.88).

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:

Range of Exercise Price Post- Modification	Options outstanding 31/12/2011 ('000)	Weighted average contractual life (years)	Options outstanding 31/12/2010 ('000)	Weighted average contractual life (years)
$0.30 to $0.44	49	1.18	49	2.18
$0.45 to $0.50	154	1.81	154	2.81
$0.51 to $1.09	15	2.66	19	3.66
$1.10 to $1.43	–	–	34	0.46
$1.44 to $2.16	354	3.18	384	4.18
$2.17 to $4.10	1,740	4.20	1,802	5.20
	2,312		2,442	

Performance Share Plan

This relates to compensation costs of CapitaLand's Performance Share Plan reflecting the benefits accruing to the employees of the Company over the service period to which the performance criteria relate. CapitaLand ceased to grant CapitaLand Performance Share Plan to the employees of the Company with effect from 2010.

Movements in the number of shares outstanding under the Performance Share Plan are summarised below:

Year of Award	2011 ('000)	2010 ('000)
At 1 January	876	1,090
Additional shares granted arising from modification	–	24
Lapsed/cancelled	–	(36)
Released	(284)	(202)
At 31 December	592	876

21. EQUITY COMPENSATION BENEFITS (CONT'D)

The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No shares 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 200% 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. CapitaLand ceased to grant CapitaLand Performance Share Plan to the employees of the Company with effect from 2010. The fair value and assumptions applicable for financial year 2010 are set out below:

Year of Award	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	–	$2.92
Expected volatility based on 36 months closing share prices prior to grant date	–	32.69%
MSCI AC Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	–	23.77%
Share price at grant date	–	$3.89
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	–	0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	–	1.57%
Correlation of return between MSCI AC Asia Pacific ex-Japan Real Estate Index and the Company's share price measured over 36 months prior to the grant date	–	67.74%

Restricted Stock Plan – Equity-settled/Cash-settled

This relates to compensation costs of CapitaLand's Restricted Stock Plan reflecting the benefits accruing to the employees of the Company over the service period to which the performance criteria relate. CapitaLand granted awards of shares under the CapitaLand Restricted Stock Plan in place of options with effect from 2007. CapitaLand ceased to grant CapitaLand's Restricted Stock Plan to the employees of the Company with effect from 2010.

With effect from 2008, the CL ERCC has instituted a set of share ownership guidelines for senior management who received shares under the CapitaLand Restricted Stock 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 Plan which will vary according to their job grades and base salaries.

Movements in the number of shares outstanding under the CapitaLand Restricted Stock Plan granted to employees of the Company are summarised below:

Year of Award	2011 ('000)	2010 ('000)
At 1 January	**2,038**	3,580
Granted	**–**	641
Lapsed/cancelled	**(78)**	(398)
Additional shares granted arising from modification	**–**	33
Released*	**(1,194)**	(1,818)
At 31 December	**766**	2,038

* *The number of shares released during the year was 1,193,933 (2010: 1,818,035), of which 303,337 (2010: 438,551) were cash-settled.*

21. EQUITY COMPENSATION BENEFITS (CONT'D)

At the balance sheet date, the number of shares comprised in awards granted under the CapitaLand Restricted Stock Plan is as follows:

	31/12/2011			31/12/2010		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares determined but not released#	566	200	766	1,508	530	2,038
	566	200	766	1,508	530	2,038

The final number of shares released could range from 0% to 150% of the baseline award.

The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No shares 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 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.

Cash-settled awards of shares are measured at their current fair value at each balance sheet date.

The fair values of the equity-settled award of 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. CapitaLand ceased to grant CapitaLand Restricted Stock Plan to the employees of the Company with effect from 2010. The fair value and assumptions applicable to financial year 2010 are set out below:

Year of Award	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	–	$3.77
Expected volatility based on 36 months closing share prices prior to grant date	–	32.69%
Share price at grant date	–	$3.89
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	–	0.38% to 0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	–	1.57%

22. REVENUE

Revenue of the Group and the Company is analysed as follows:

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Rental and related income	**56,224**	94,285	**–**	–
Management and consultancy fees	**188,203**	149,056	**93,416**	70,588
Dividend income from subsidiaries	**–**	–	**217,181**	114,300
Others	**1,746**	2,061	**–**	–
	246,173	245,402	**310,597**	184,888

23. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Interest income:				
– fixed deposits	**6,077**	5,476	**–**	264
– subsidiaries	**–**	–	**2,140**	6,480
– associates	**10,158**	10,463	**–**	–
– jointly-controlled entities	**7,356**	10,098	**–**	–
Foreign exchange gain	**7,558**	3,885	**–**	531
Gain on disposal of associates	**2,017**	2,524	**–**	–
Gain on disposal of investment properties	**–**	10,365	**–**	–
Gain on dilution of associates	**12,772**	–	**–**	–
Net fair value gain on investment properties	**36,514**	22,176	**–**	–
Net fair value gain on properties under development	**164,420**	15,199	**–**	–
Government grants – Jobs Credit Scheme	**–**	386	**–**	355
Others	**5,185**	1,875	**110**	1
	252,057	82,447	**2,250**	7,631

24. FINANCE COSTS

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Interest paid and payable to:				
– subsidiary	**–**	–	**–**	1
– non-controlling interests	**–**	139	**–**	–
– bank loans and others	**33,312**	25,464	**–**	–
Total borrowing costs	**33,312**	25,603	**–**	1

There was no borrowing costs capitalised during the current and prior year.

25. PROFIT BEFORE TAXATION

Profit before taxation includes the following:

		GROUP		COMPANY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
(a)	**Staff costs**				
	Wages and salaries	**99,347**	79,061	**47,951**	45,388
	Contributions to defined contribution plans included in wages and salaries	**5,591**	4,744	**4,561**	4,027
	Share-based expenses				
	– equity-settled	**6,518**	6,673	**5,601**	5,725
	– cash-settled	**1,825**	2,324	**(336)**	1,525
	Increase in liability for short term accumulating compensated absences	**460**	540	**106**	504

		GROUP		COMPANY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
(b)	**Other expenses**				
	Allowance for impairment losses on loans to subsidiaries	**–**	–	**99,380**	19,110
	Allowance made for doubtful loans and receivables	**114**	331	**29**	–
	Depreciation of plant and equipment	**6,826**	7,206	**2,439**	3,091
	Loss on disposal/ write-off of plant and equipment	**64**	618	**2**	12
	Foreign exchange loss	**–**	–	**17**	–
	Operating lease expense	**8,347**	9,139	**2,984**	3,415
	Operating expenses arising from investment properties	**21,022**	34,460	**–**	–
	Auditors' remuneration:				
	– auditors of the Company	**299**	264	**135**	130
	– other auditors	**354**	311	**–**	–
	Non-audit fees paid to:				
	– auditors of the Company	**1,013***	117	**974***	57
	– other auditors	**2**	–	**–**	–

* *Non-audit fees paid to auditors of the Company for the current year included professional fees for services rendered in connection with the secondary listing of the Company on The Stock Exchange of Hong Kong of $0.9 million.*

25. PROFIT BEFORE TAXATION (CONT'D)

	Directors' fees Cash[1] component $'000	Directors' fees Equity[2] component $'000	Other emoluments (mainly basic salaries, bonus and allowances) $'000	Equity-settled share-based payment expense $'000	Total $'000
(c) Directors' emoluments					
Group					
2011					
Executive director					
Lim Beng Chee	–	28	1,671	405	2,104
Non-executive directors					
Liew Mun Leong	326	110	–	–	436
Chua Kheng Yeng Jennie	54	23	–	–	77
Lim Tse Ghow Olivier	157	58	–	–	215
Independent non-executive directors					
Sunil Tissa Amarasuriya	90	38	–	–	128
Tan Sri Amirsham A Aziz[3]	22	10	–	–	32
Dr Loo Choon Yong	103	44	–	–	147
Arfat Pannir Selvam	81	35	–	–	116
Professor Tan Kong Yam	90	39	–	–	129
Yap Chee Keong	105	45	–	–	150
	1,028	430	1,671	405	3,534
2010					
Executive director					
Lim Beng Chee	–	–	1,502	600	2,102
Non-executive directors					
Liew Mun Leong	287	–	–	67	354
Chua Kheng Yeng Jennie	48	–	–	17	65
Lim Tse Ghow Olivier	158	–	–	37	195
Independent non-executive directors					
Sunil Tissa Amarasuriya	91	–	–	32	123
Dr Fu Yuning	46	–	–	19	65
Dr Loo Choon Yong	96	–	–	38	134
Arfat Pannir Selvam	70	–	–	30	100
Professor Tan Kong Yam	83	–	–	30	113
Hiroshi Toda	28	–	–	9	37
Yap Chee Keong	106	–	–	38	144
	1,013	–	1,502	917	3,432

1 *Included in the cash component of the directors' fees is an amount of $216,800 (2010: $195,522) paid/payable by subsidiaries. These fees paid/payable to CapitaLand Limited, the employer of Liew Mun Leong and Lim Tse Ghow Olivier, amounted to $161,600 (2010: $131,290) and $55,200 (2010: $64,232) respectively.*

2 *Included in the equity component of the directors' fees is an amount of $82,140 (2010: Nil) payable by subsidiaries in the form of units in CapitaMall Trust and CapitaRetail China Trust and will be paid upon approval by the shareholders of the relevant subsidiaries holding the said units. These equity component will be granted to Liew Mun Leong, Lim Tse Ghow Olivier and Lim Beng Chee and amounted to $40,400 (2010: Nil), $13,800 (2010: Nil) and $27,940 (2010: Nil) respectively.*

3 *Appointed on 18 August 2011*

25. PROFIT BEFORE TAXATION (CONT'D)

(d) Individuals with highest emoluments

Of the five individuals with highest emoluments, one is a director of the Company during the financial year whose emoluments is disclosed in Note 25(c) above. The aggregate of the emoluments paid or payable to the remaining four individuals are as follows:

	GROUP	
	2011 $'000	2010 $'000
Salaries, bonus and allowances	**3,811**	3,371
Contribution to defined contribution plans	**44**	40
Share-based payment expense	**892**	980
	4,747	4,391

An analysis of their emoluments by number of employee and emolument range is set out below:

	GROUP	
	2011 Number of employees	2010 Number of employees
$750,000 to $999,999	**–**	2
$1,000,000 to $1,249,999	**3**	1
$1,250,000 to $1,499,999	**1**	1
$1,500,000 to $1,749,999	**–**	–
$1,750,000 and above	**1**	1

26. TAXATION

	GROUP		COMPANY	
	2011 $'000	2010 $'000 (Restated)	2011 $'000	2010 $'000
Current tax				
– Current year	**30,636**	36,246	**746**	–
– (Over)/Under provision in respect of prior years	**(3,523)**	(8,156)	**(65)**	89
	27,113	28,090	**681**	89
Deferred tax				
– Origination and reversal of temporary differences	**48,261**	(252)	**111**	116
– (Over)/Under provision in respect of prior years	**(1,033)**	1,033	**–**	–
	47,228	781	**111**	116
	74,341	28,871	**792**	205

26. TAXATION (CONT'D)

Reconciliation of effective tax rate

	GROUP 2011 $'000	GROUP 2010 $'000 (Restated)	COMPANY 2011 $'000	COMPANY 2010 $'000
Profit before taxation	**568,559**	577,809	**99,684**	82,773
Less: Share of results of associates and jointly-controlled entities	**(348,945)**	(475,884)	**–**	–
Profit before share of results of associates and jointly-controlled entities and taxation	**219,614**	101,925	**99,684**	82,773
Income tax using Singapore tax rate of 17% (2010: 17%)	**37,334**	17,327	**16,946**	14,071
Income not subject to tax	**(17,250)**	(6,903)	**(36,946)**	(19,491)
Expenses not deductible for tax purposes	**15,774**	10,534	**21,121**	4,883
Effect of different tax rates in foreign jurisdictions	**13,884**	213	**–**	–
Utilisation of previously unrecognised tax losses	**(1,104)**	(669)	**–**	–
Deferred tax assets not recognised	**4,663**	1,406	**–**	–
Tax losses not available for carry-forward	**25,346**	15,320	**(320)**	744
(Over)/Under provision in respect of prior years	**(4,556)**	(7,123)	**(65)**	89
Others	**250**	(1,234)	**56**	(91)
	74,341	28,871	**792**	205

27. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2011 was based on the profit attributable to owners of the Company of $456.0 million (2010 restated: $541.3 million) and a weighted average number of ordinary shares outstanding of 3,884.9 million shares (2010: 3,884.0 million shares), calculated as follows:

	GROUP 2011 $'000	GROUP 2010 (Restated) $'000
Profit attributable to owners of the Company	**456,008**	541,337

	Number of shares 2011 ('000)	Number of shares 2010 ('000)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	**3,884,000**	3,884,000
Effect of shares issued during the year	**907**	–
Weighted average number of shares at 31 December	**3,884,907**	3,884,000

27. EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2011 was based on profit attributable to owners of the Company of $456.0 million (2010 restated: $541.3 million), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 3,894.7 million shares (2010: 3,888.9 million shares), calculated as follows:

	GROUP	
	2011 $'000	2010 $'000 (Restated)
Profit attributable to owners of the Company	**456,008**	541,337
	Number of shares 2011 ('000)	Number of shares 2010 ('000)
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic)	**3,884,907**	3,884,000
Weighted average number of unissued ordinary shares from:		
– Shares under Performance Share Plan	**3,450**	1,414
– Shares under Restricted Stock Plan	**6,348**	3,466
	9,798	4,880
Weighted average number of ordinary shares (diluted) at 31 December	**3,894,705**	3,888,880

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Acquisition of subsidiaries

(i) The list of subsidiaries acquired in 2011 is as follows:

	Date acquired	Equity interest acquired %
Abbey Road Limited	February 2011	68.8
Sky Vision (Hong Kong) Limited	February 2011	68.8
Shanghai Yongwei Real Estate	February 2011	66.0

The total purchase consideration for the above mentioned subsidiaries amounted to $285.5 million. From the date of acquisitions to 31 December 2011, the above-mentioned acquisitions contributed net profit of $65.7 million to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. If the acquisitions had occurred on 1 January 2011, management estimates that it will not have any significant impact on the net profit for the year ended 31 December 2011.

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

(ii) The cash flow and the net assets of subsidiaries acquired are provided below:

	Recognised values on acquisition 2011 $'000
Group	
Properties under development	428,255
Current assets	9,419
Current liabilities	(9,815)
Net assets acquired	427,859
Non-controlling interests	(142,390)
Purchase consideration	285,469
Less:	
Cash paid in previous financial year	(28,942)
Cash of subsidiaries acquired	(9,264)
Cash outflow on acquisition of subsidiaries	**247,263**

(iii) The list of subsidiaries acquired in 2010 is as follows:

	Date acquired	Equity interest acquired %
CapitaRetail China Developments D18 (HK) Limited	January 2010	100
Growing State Holdings Limited	March 2010	100
Chengdu Huayun Jiangnan Real Estate Development Co. Ltd	March 2010	100

The total purchase consideration for the above mentioned subsidiaries amounted to $114.0 million. From the dates of acquisitions to 31 December 2010, the above-mentioned acquisitions contributed net profit of $5.2 million to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. If the acquisitions had occurred on 1 January 2010, the Group's net profit for the year ended 31 December 2010 would have increased by $4.2 million, before accounting for financing costs attributable to the acquisitions.

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

(iv) The cash flow and the net assets of subsidiaries acquired are provided below:

	Recognised values on acquisition 2010 $'000
Group	
Properties under development	72,100
Current assets	52,060
Current liabilities	(7,245)
Non-current liabilities	(2,992)
Net assets acquired	113,923
Shareholders' loan repaid	38
Purchase consideration	113,961
Less:	
Cash of subsidiaries acquired	(39,540)
Cash outflow on acquisition of subsidiaries	74,421

29. COMMITMENTS

The Group and the Company had the following commitments as at the balance sheet date:-

(a) Operating lease commitments

(i) Operating lease rental payable

Future minimum lease payments on non-cancellable operating leases are as follows:

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Lease payments payable:				
– Within 1 year	**9,906**	6,181	**2,877**	2,960
– After 1 year but within 5 years	**12,757**	10,731	**5,863**	8,741
	22,663	16,912	**8,740**	11,701

29. COMMITMENTS (CONT'D)

(a) Operating lease commitments (Cont'd)

(ii) Operating lease rental receivable

Future minimum lease rental receivable for the Group on non-cancellable operating leases from investment properties are as follows:

	GROUP	
	2011 $'000	2010 $'000
Lease rentals receivable:		
– Within 1 year	21,784	–
– After 1 year but within 5 years	14,527	–
	36,311	–

(b) Other commitments

	GROUP		COMPANY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	2,760	1,291	250	575
– development expenditure contracted but not provided for in the financial statements	141,635	149,487	–	–
– purchase of land/investment properties contracted but not provided for in the financial statements	57,123	660,109	–	–
– capital contribution/acquisition of associates, jointly-controlled entities and investee companies	859,088	520,476	–	–
– shareholders' loan committed to jointly-controlled entities	1,059,539	–	–	–

30. CONTINGENT LIABILITIES

The Company had previously provided a guarantee in 2007 to Malaysian Trustees Berhad, the trustee for and on behalf of the holders of the Senior Class Notes issued by a subsidiary, that the Company will purchase all the outstanding Senior Class Notes in the event the subsidiary fails to pay any amount under the Senior Class Notes when they are due and payable. During the year ended 31 December 2010, the Senior Class Notes have been redeemed and accordingly, the said guarantee has been cancelled.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The directors and certain senior employees of the Company are considered key management personnel of the Company.

The key management personnel compensations included as part of staff costs are as follows:

	GROUP		COMPANY	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Salaries, bonus, contributions to defined contribution plans and other benefits	**8,326**	7,734	**4,918**	7,734
Equity compensation benefits	**1,939**	2,115	**1,106**	2,115
	10,265	9,849	**6,024**	9,849

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 during the financial year as follows:

	GROUP		COMPANY	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Holding company				
Management fee expense	**(19,494)**	(16,693)	**(19,494)**	(16,272)
Subsidiaries				
Management fee income	**–**	–	**91,670**	75,008
Related corporations				
Management fee income	**632**	1,162	**–**	–
Management fee expense	**(1,032)**	(1,911)	**(1,032)**	(1,324)
Rental expense	**(2,526)**	(3,144)	**(1,036)**	(2,565)
Others (Temasek Holdings (Private) Limited and its subsidiaries)	**(519)**	(210)	**(508)**	(207)
Associates and jointly-controlled entities				
Project management fee income	**17,806**	12,683	**–**	–
Property and fund management fee income	**138,171**	115,184	**1,746**	2,060
Service fee income and others	**24,429**	8,733	**–**	–
Sale of investment properties	**–**	1,157,736	**–**	–
Key management personnel				
Rental received/receivable from companies in which certain directors are members	**–**	487	**–**	–
Professional fees paid/payable to companies in which a director is a member	**372**	276	**353**	259
Subscription of bonds issued by a subsidiary	**3,000**	–	**–**	–
Interest payable by a subsidiary	**50**	–	**–**	–

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 portfolio of businesses. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. As a whole, the Group has implemented risk management policies and guidelines which set out its tolerance of risk and its general risk management philosophy. In connection with this, the Group has established a framework and process to monitor the exposures so as to ensure appropriate measures can be implemented in a timely and effective manner.

(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 interest-bearing borrowings.

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. Generally, the interest rate exposure is managed through the use of interest rate swaps and/or fixed rate borrowings.

At 31 December 2011, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $345.0 million (2010: $150.0 million) which pays fixed interest rates ranging from 0.84% to 1.33% (2010: 0.84% to 0.85%) per annum and receives a variable rate equal to the Swap Offer Rate on the notional amounts. The fair value of these interest rate swaps as at 31 December 2011 is a liability of $0.2 million (2010: $0.3 million).

At the reporting date, the interest rate profile of the interest-bearing financial instruments (after taking into account the effects of the interest rate swaps) was as follows:

	GROUP Carrying amount	
	2011 $'000	2010 $'000
Fixed rate instruments		
Loans and borrowings	**975,440**	499,337
Variable rate instruments		
Loans and borrowings	**254,303**	200,615

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(i) Interest rate risk (Cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate loans and borrowings at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments

For variable rate loans and borrowings, it is estimated that an increase of 100 basis points ("bp") in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and accumulated profits) by approximately $2.5 million (2010: $2.0 million). A decrease in 100bp 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.

(ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly United States (US) Dollars, Chinese Renminbi, Malaysian Ringgit and Japanese Yen.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept at an acceptable level.

In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(ii) Foreign currency risk (Cont'd)

The Group's and Company's exposure to foreign currencies as at 31 December 2011 and 31 December 2010 are as follows:

	Singapore Dollars $'000	US Dollars $'000	Chinese Renminbi $'000	Malaysian Ringgit $'000	Japanese Yen $'000	Others[1] $'000	Total $'000
Group							
2011							
Other investments	138,795	286,827	–	–	–	–	425,622
Loan receivable and prepayments (non-current)	56,052	–	40,991	–	–	–	97,043
Trade and other receivables	187,606	3,285	19,785	3,658	3,353	175	217,862
Cash and cash equivalents	538,251	191,560	181,924	57,412	5,657	675	975,479
Loans and borrowings	(1,055,954)	–	(92,608)	(81,181)	–	–	(1,229,743)
Other non-current liabilities[2]	(1,679)	–	(12,441)	(3,219)	(3,022)	–	(20,361)
Trade and other payables[3]	(105,327)	(353)	(63,728)	(9,463)	(625)	(298)	(179,794)
	(242,256)	481,319	73,923	(32,793)	5,363	552	286,108
Less:							
– Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	253,887	(327,884)	110,560	69,833	(5,362)	(564)	100,470
Currency exposure	11,631	153,435	184,483	37,040	1	(12)	386,578

1 *Others include mainly Indian Rupees and Hong Kong Dollars*
2 *Excludes other payables and interest rate swaps*
3 *Excludes advance payment received, liability for employee benefits and interest rate swaps*

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Market risk (Cont'd)*

(ii) *Foreign currency risk (Cont'd)*

	Singapore Dollars $'000	US Dollars $'000	Chinese Renminbi $'000	Malaysian Ringgit $'000	Japanese Yen $'000	Others[1] $'000	Total $'000
Group							
2010							
Other investments	130,874	247,779	–	–	–	–	378,653
Loan receivable (non-current)	16,627	–	–	–	–	–	16,627
Trade and other receivables	412,234	3,225	37,810	39,956	4,766	290	498,281
Cash and cash equivalents	1,064,792	9,221	30,222	209,664	3,697	716	1,318,312
Loans and borrowings	(597,477)	–	(102,475)	–	–	–	(699,952)
Other non-current liabilities[2]	–	–	(3,116)	–	(2,834)	–	(5,950)
Trade and other payables[3]	(221,865)	(8)	(26,894)	(13,991)	(1,325)	(853)	(264,936)
	805,185	260,217	(64,453)	235,629	4,304	153	1,241,035
Less:							
– Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(760,048)	(258,488)	102,091	(20,471)	(4,314)	(181)	(941,411)
Currency exposure	45,137	1,729	37,638	215,158	(10)	(28)	299,624

[1] *Others include mainly Indian Rupees and Hong Kong Dollars*
[2] *Excludes other payables and interest rate swaps*
[3] *Excludes advance payment received, liability for employee benefits and interest rate swaps*

	US Dollars $'000	Chinese Renminbi $'000	Malaysian Ringgit $'000	Japanese Yen $'000	Others[1] $'000	Total foreign currencies $'000
Company						
2011						
Cash and cash equivalents	5	–	–	–	5	10
Trade and other payables	(3)	–	(7)	–	–	(10)
Currency exposure	2	–	(7)	–	5	–
2010						
Cash and cash equivalents	5	–	–	–	2	7
Trade and other payables	(3)	(3)	(16)	(13)	–	(35)
Currency exposure	2	(3)	(16)	(13)	2	(28)

[1] *Others include mainly Hong Kong Dollars*

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(ii) Foreign currency risk (Cont'd)

Sensitivity analysis

A 5% strengthening of the respective functional currencies of the subsidiaries against the following foreign currencies at the reporting date would increase (decrease) equity and profit or loss by the amounts shown below. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

	GROUP		COMPANY	
	Equity $'000	Profit or loss $'000	Equity $'000	Profit or loss $'000
2011				
Singapore Dollars[1]	–	(582)	–	–
US Dollars[2]	–	(7,672)	–	–
Chinese Renminbi[3]	–	(9,224)	–	–
Malaysian Ringgit[3]	–	(1,852)	–	–
Japanese Yen[3]	–	–	–	–
Others[3]	–	1	–	–
2010				
Singapore Dollars[1]	–	(2,257)	–	–
US Dollars[2]	–	(86)	–	–
Chinese Renminbi[3]	–	(1,882)	–	–
Malaysian Ringgit[3]	–	(10,758)	–	1
Japanese Yen[3]	–	1	–	1
Others[3]	–	1	–	–

1 *as compared to functional currencies of US Dollars, Chinese Renminbi and Malaysian Ringgit*
2 *as compared to functional currencies of Chinese Renminbi and Singapore Dollars*
3 *as compared to functional currency of Singapore Dollars*

A 5% weakening of the respective functional currencies of the subsidiaries against the above foreign currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis all other variables remain constant.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(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 tenants from its commercial buildings and retail malls, and loans to associates. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

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.

(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 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 balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

As at 31 December 2011, the Group has unutilised credit facilities amounting to $972.7 million (2010: $864.1 million).

In 2011, the Group issued $200.0 million unsecured retail bonds and $83.5 million secured senior notes.

In 2010, the Group launched a $2.0 billion Euro Medium-Term-Note programme, of which unsecured notes of $350.0 million has been issued as at 31 December 2011 (2010: $350.0 million).

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:

	Carrying amount $'000	Total $'000	Contractual cash flows (including interest payments) Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
2011					
Secured bank loans	92,608	114,939	19,982	69,977	24,980
Unsecured bank loans	506,695	531,304	155,533	375,771	–
Secured notes	81,181	89,198	2,514	86,684	–
Unsecured notes	349,427	428,026	8,901	55,300	363,825
Unsecured retail bonds	199,832	205,563	75,188	130,375	–
Other non-current liabilities[1]	20,361	20,361	–	8,590	11,771
Trade and other payables[2]	179,794	179,794	179,794	–	–
Interest rate swaps (current and non-current)	192	6,741	1,392	5,349	–
	1,430,090	1,575,926	443,304	732,046	400,576
2010					
Secured bank loans	102,475	127,271	18,151	71,287	37,833
Unsecured bank loans	248,140	256,169	3,010	253,159	–
Unsecured notes	349,337	441,927	8,901	55,338	377,688
Other non-current liabilities[1]	5,950	5,950	–	3,226	2,724
Trade and other payables[2]	264,936	264,936	264,936	–	–
Interest rate swaps (non-current)	344	614	321	293	–
	971,182	1,096,867	295,319	383,303	418,245
Company					
2011					
Trade and other payables[2]	257,464	257,464	257,464	–	–
2010					
Trade and other payables[2]	235,200	235,200	235,200	–	–

[1] *Excludes other payables and interest rate swaps*
[2] *Excludes advance payments received, liability for employee benefits and interest rate swaps*

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

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value

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 derivatives financial instruments is based on their market prices or brokers' quotes.

(ii) Available-for-sale investments

Fair values are based on quoted bid prices where available, without any deduction for transaction costs with the exception of those equity securities which are not traded in an active market. The fair value of such security is determined using a valuation technique.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, 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.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value (Cont'd)

(iii) Other financial assets and liabilities (Cont'd)

Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2011				
Available-for-sale investments	–	–	425,622	425,622
Interest rate swaps	–	192	–	192
2010				
Available-for-sale investments	–	–	378,653	378,653
Interest rate swaps	–	344	–	344

During the year ended 31 December 2011, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

Available-for-sale investments – Level 3:

	2011 $'000	2010 $'000
At 1 January	**378,653**	200,028
Purchases during the year	**6,593**	162,591
Total gains in other comprehensive income	**46,403**	25,936
Translation differences	**(6,027)**	(9,902)
At 31 December	**425,622**	378,653

The available-for-sale investments that are recorded in the Level 3 category comprise a 17.1% unquoted equity interest in a company which owns an investment property, Raffles City Changning and a 15% interest in an unquoted equity interest in Raffles City China Fund. The fair value of these investments as at the reporting date was determined using a valuation technique based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the entity to which the financial instrument relates. The assets held by the relevant entities comprise mainly properties whose fair values were determined by independent licensed appraisers. The fair values of the properties were based on market values determined using the discounted cash flow, direct comparison and residual methods.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value (Cont'd)

(iv) Accounting classifications and fair values

Fair values versus carrying amounts

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group							
2011							
Available-for-sale equity securities	9	–	–	425,622	–	425,622	425,622
Other assets	11	–	97,045	–	–	97,045	97,045
Trade and other receivables[1]	12	–	213,193	–	–	213,193	213,193
Cash and cash equivalents	13	–	975,479	–	–	975,479	975,479
		–	1,285,717	425,622	–	1,711,339	1,711,339
Secured bank loans	16	–	–	–	(92,608)	(92,608)	(92,608)
Unsecured bank loans	16	–	–	–	(506,695)	(506,695)	(506,695)
Secured notes	16	–	–	–	(81,181)	(81,181)	(80,510)
Unsecured notes	16	–	–	–	(349,427)	(349,427)	(360,238)
Unsecured retail bonds	16	–	–	–	(199,832)	(199,832)	(202,859)
Other non-current liabilities[2]	17	–	–	–	(20,361)	(20,361)	(20,361)
Interest rate swaps (current and non-current)	17	(192)	–	–	–	(192)	(192)
Trade and other payables[3]	18	–	–	–	(179,794)	(179,794)	(179,794)
		(192)	–	–	(1,429,898)	(1,430,090)	(1,443,257)

[1] *Excludes prepayments*
[2] *Excludes other payables and interest rate swaps*
[3] *Excludes advance payment received, liability for employee benefits and interest rate swaps*

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value (Cont'd)

(iv) Accounting classifications and fair values (Cont'd)

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group							
2010							
Available-for-sale equity securities	9	–	–	378,653	–	378,653	378,653
Other assets	11	–	16,869	–	–	16,869	16,869
Trade and other receivables[1]	12	–	476,941	–	–	476,941	476,941
Cash and cash equivalents	13	–	1,318,312	–	–	1,318,312	1,318,312
		–	1,812,122	378,653	–	2,190,775	2,190,775
Secured bank loans	16	–	–	–	(102,475)	(102,475)	(102,475)
Unsecured bank loans	16	–	–	–	(248,140)	(248,140)	(248,140)
Unsecured notes	16	–	–	–	(349,337)	(349,337)	(335,615)
Other non-current liabilities[2]	17	–	–	–	(5,950)	(5,950)	(5,950)
Interest rate swaps (non-current)	17	(344)	–	–	–	(344)	(344)
Trade and other payables[3]	18	–	–	–	(264,936)	(264,936)	(264,936)
		(344)	–	–	(970,838)	(971,182)	(957,460)

[1] *Excludes prepayments*
[2] *Excludes other payables and interest rate swaps*
[3] *Excludes advance payment received, liability for employee benefits and interest rate swaps*

	Note	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company						
2011						
Trade and other receivables[1]	12	1,662,623	–	–	1,662,623	1,662,623
Cash and cash equivalents	13	1,069	–	–	1,069	1,069
		1,663,692	–	–	1,663,692	1,663,692
Trade and other payables[2]	18	–	–	(257,464)	(257,464)	(257,464)
2010						
Trade and other receivables[1]	12	2,161,760	–	–	2,161,760	2,161,760
Cash and cash equivalents	13	927	–	–	927	927
		2,162,687	–	–	2,162,687	2,162,687
Trade and other payables[2]	18	–	–	(235,200)	(235,200)	(235,200)

[1] *Excludes prepayments*
[2] *Excludes advance payment received and liability for employee benefits*

Notes to the Financial Statements

33. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's divisions. For each of the divisions, management reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

– Management business – Includes the provision of asset and project management, fund management and mall management services.

– Investment business – Includes investments in retail properties held directly through subsidiaries or through associates and jointly-controlled entities.

Others segment includes corporate office and group treasury. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2011 or 2010. Information regarding the results of each reportable segment is included below. Performance is measured based on segment earnings before finance costs and income tax ("EBIT"), as included in the internal management reports that are reviewed by the management. EBIT is used to measure performance as the 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.

(a) Operating segments

	Management business $'000	Investment business $'000	Others $'000	Elimination $'000	Total $'000
2011					
External revenue	188,203	56,224	1,746	–	246,173
Inter-segment revenue	130,169	–	–	(130,169)	–
Total external revenue	318,372	56,224	1,746	(130,169)	246,173
Segment results					
Company and subsidiaries	62,230	243,059	(52,363)	–	252,926
Associates	–	195,300	–	–	195,300
Jointly-controlled entities	1,350	152,295	–	–	153,645
EBIT	63,580	590,654	(52,363)	–	601,871
Finance costs					(33,312)
Taxation					(74,341)
Profit for the year					494,218
Total assets as at 31 December 2011	170,067	5,954,194	1,953,787	–	8,078,048
Total liabilities as at 31 December 2011	56,934	391,166	1,152,823	–	1,600,923
Other segment items:					
Interest in associates	–	3,521,066	–	–	3,521,066
Interest in jointly-controlled entities	2,574	1,134,287	–	–	1,136,861
Capital expenditure	4,407	423,933	4,514	–	432,854

Notes to the Financial Statements

33. OPERATING SEGMENTS (CONT'D)

(a) Operating segments (Cont'd)

	Management business $'000	Investment business $'000	Others $'000	Elimination $'000	Total $'000
2010 (Restated)					
External revenue	149,056	94,285	2,061	–	245,402
Inter-segment revenue	104,712	–	–	(104,712)	–
Total external revenue	253,768	94,285	2,061	(104,712)	245,402
Segment results					
Company and subsidiaries	59,546	94,166	(26,184)	–	127,528
Associates	–	112,824	–	–	112,824
Jointly-controlled entities	7,506	355,554	–	–	363,060
EBIT	67,052	562,544	(26,184)	–	603,412
Finance costs					(25,603)
Taxation					(28,871)
Profit for the year					548,938
Total assets as at 31 December 2010	172,932	4,617,544	2,191,701	–	6,982,177
Total liabilities as at 31 December 2010	65,690	390,822	637,435	–	1,093,947
Other segment items:					
Interest in associates	–	3,119,729	–	–	3,119,729
Interest in jointly-controlled entities	1,390	1,042,266	–	–	1,043,656
Capital expenditure	3,327	89,083	2,732	–	95,142

33. OPERATING SEGMENTS (CONT'D)

(b) Geographical information

	Singapore $'000	China $'000	Malaysia $'000	Japan $'000	India $'000	Total $'000
2011						
External revenue	104,047	104,412	28,876	4,433	4,405	246,173
As at 31 December 2011						
Non-current assets	3,074,701	3,001,874	557,145	111,148	131,012	6,875,880
Total assets	3,460,474	3,743,100	619,653	120,331	134,490	8,078,048
2010						
External revenue	108,679	78,680	49,520	4,699	3,824	245,402
As at 31 December 2010						
Non-current assets	2,768,878	1,885,777	250,536	121,600	138,793	5,165,584
Total assets	3,924,605	2,271,952	508,563	130,868	146,189	6,982,177

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Notes to the Financial Statements

34. SUBSIDIARIES

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
Albert Complex Pte Ltd	Investment holding and investment trading	Singapore	$457,000	**100**	100
Capita Card Pte. Ltd.	Promotion of Co-Brand cards	Singapore	$1	**100**	100
CapitaLand Retail (BJ) Investments Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CapitaLand Retail (BJ1) Holdings Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[1]CapitaLand Retail BJ1 (M) Limited	Investment holding	Mauritius	US$1	**100**	100
CapitaLand Retail (MY) Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CapitaLand Retail (SI) Investments Pte. Ltd.	Investment holding	Singapore	$114,358,242	**100**	100
[12]CapitaLand Retail China Pte. Ltd.	Investment holding	Singapore	$6,460,000 (ordinary) $5,410,000 (preference)	**100**	100
CapitaLand Retail Hong Kong Investments Pte. Limited	Investment holding	Singapore	$1	**100**	100
[7]CapitaLand Retail Hong Kong Investments Two (BV) Limited	Investment holding	British Virgin Islands	US$1	**100**	100
CapitaLand Retail India Investments Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CapitaLand Retail India Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CapitaLand Retail Investments (SY) Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CapitaLand Retail Japan Investments Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[7]CapitaLand Retail Management Kabushiki Kaisha	Property management	Japan	JPY70,000,000	**100**	100

Notes to the Financial Statements

34. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
CapitaLand Retail Management Pte Ltd	Management services and investment holding	Singapore	$1,000,000	**100**	100
CapitaLand Retail Project Management Pte. Limited	Project management and consultancy services	Singapore	$2	**100**	100
[3]CapitaLand Retail Property Management India Private Limited	Property management	India	Indian Rupee (“INR”) 132,000,000	**100**	100
CapitaLand Retail Singapore Investments Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CapitaLand Retail Singapore Investments Two Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[8,10]CapitaLand SZITIC (Shenzhen) Property Management Co., Ltd. (liquidated)	Property management	The People’s Republic of China	RMB1,500,000	**–**	51
[4,11]CapitaLand Retail (Beijing) Facilities & Projects Consulting Co., Ltd	Project management and consultancy services	The People’s Republic of China	US$10,000,000	**100**	100
[4,10]CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd.	Property management and consultancy services	The People’s Republic of China	US$28,040,000	**100**	100
CapitaLand Retail RECM Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CapitaRetail China Investments Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[5]CapitaRetail Gurney Sdn. Bhd.	Property investment (Dormant)	Malaysia	Ringgit Malaysia (“RM”) 2	**100**	100
[4,10]CapitaMalls Chongqing Investment Co., Ltd.	Property investment	The People’s Republic of China	RMB83,000,000	**73**	73

34. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
Clarke Quay Pte Ltd	Property investment	Singapore	$45,000,000	100	100
[4,10] CapitaMalls Foshan City Nanhai Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB100,000,000	73	73
Gain 888 Investments Pte. Ltd.	Investment holding	Singapore	$1	100	100
[4,10] CapitaMalls Hunan Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB127,000,000	73	73
[8,11] Kaimao (Beijing) Investment & Consulting Co., Ltd. (liquidated)	Property management	The People's Republic of China	US$1,500,000	–	100
[4,10] CapitaMalls Maoming City Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB72,000,000	73	73
[5]Mutual Streams Sdn. Bhd.	Property investment (Dormant)	Malaysia	RM2	100	100
One Trust	Property investment	Singapore	$10	100	100
Plaza Singapura (Private) Limited	Investment holding (Dormant)	Singapore	$175,000,000	100	100
Premier Healthcare Services International Pte Ltd	Investment holding	Singapore	$300,000	100	100
Pronto Investment One Pte. Ltd.	Investment holding	Singapore	$1	100	100
Pyramex Investments Pte Ltd	Investment holding	Singapore	$2	100	100
Retail Crown Pte. Ltd.	Investment holding	Singapore	$1	100	100
Retail Galaxy Pte. Ltd.	Investment holding	Singapore	$1	100	100
[5]Vast Winners Sdn. Bhd.	Property investment (Dormant)	Malaysia	RM2	100	100

Notes to the Financial Statements

34. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
[4,10] CapitaMalls Zhangzhou Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB85,000,000	**73**	73
CapitaMall Trust Management Limited	Real estate investment trust ("REIT") management	Singapore	$1,000,000	**100**	100
CapitaMalls Japan Fund Management Pte. Ltd. (formerly CapitaRetail Japan Fund Management Private Limited)	Fund management	Singapore	$2	**100**	100
CapitaRetail Singapore Management Pte. Ltd.	Investment and fund management (Dormant)	Singapore	$100,000	**100**	100
CapitaMalls China Fund Management Pte. Ltd. (formerly CapitaRetail China Fund Management Pte. Ltd.)	Fund management	Singapore	$1	**100**	100
CapitaRetail China Trust Management Limited	REIT management	Singapore	$4,250,000	**100**	100
CapitaLand Retail Trustee Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[7]Retail RECM (BVI) Limited	Investment holding	British Virgin Islands	US$1	**100**	100
One Trustee Pte. Ltd.	Investment holding and property development	Singapore	$1	**100**	100
CapitaMalls India Fund Management Pte. Ltd. (formerly CapitaRetail India Fund Management Pte. Ltd.)	Fund management	Singapore	$2	**100**	100
[5]CapitaMalls Malaysia REIT Management Sdn. Bhd.	REIT management	Malaysia	RM1,000,000	**70**	70
[4,11] CapitaRetail (Beijing) Investment Consulting Co., Ltd.	Property management and consultancy services	The People's Republic of China	US$300,000	**100**	100

34. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
Victoria City Pte Ltd	Investment holding	Singapore	$1,000,000	100	100
[7]CMA RCCF Investment (BVI) Limited	Investment holding	British Virgin Islands	US$1	100	100
[5]CapitaLand Retail Malaysia Sdn. Bhd.	Project management	Malaysia	RM500,000	100	100
[5]Luxury Ace Sdn. Bhd.	Investment holding	Malaysia	RM2	100	100
[13]CapitaMalls Asia Treasury Limited	Provision of financial and treasury services	Singapore	$10,000,000	100	100
[7]Menang Investment Limited	Investment holding	British Virgin Islands	US$1	100	100
[5]CMMT Investment Limited	Investment holding	Malaysia	US$318,655	100	100
Brilliance Trustee Pte. Ltd.	Trust services	Singapore	$1	100	100
CMA Singapore Investments (3) Pte. Ltd.	Investment holding	Singapore	$1	100	100
CMA Singapore Investments (4) Pte. Ltd.	Investment holding	Singapore	$1	100	100
CMA Singapore Investments (5) Pte. Ltd.	Investment holding	Singapore	$1	100	100
JG Trustee Pte. Ltd.	Trust services	Singapore	$1	100	100
CMA China II Pte. Ltd.	Investment holding	Singapore	$1	100	100
[7]CMA China II (BVI) Holdings Limited	Investment holding	British Virgin Islands	US$1	100	100
[7]Cressida Enterprises Limited	Investment holding	British Virgin Islands	US$1	100	100
[6]Magic Bright Investments Limited	Investment holding	Hong Kong	HK$1	100	100
Omnitrix Investment Pte. Ltd.	Investment holding	Singapore	$1	100	100

Notes to the Financial Statements

34. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
CMA Japan Holdings Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[5]Success Idea Sdn. Bhd.	Property investment	Malaysia	RM2	**100**	100
[5]Scenic Growth Sdn. Bhd.	Property investment	Malaysia	RM2	**100**	100
[5,14]Special Coral Sdn. Bhd.	Property investment	Malaysia	RM2	**100**	100
[5]Milky Way Properties Berhad	Property investment	Malaysia	RM2	**100**	100
[7]Better Value Holdings Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[7]Exuberant Holdings Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[6]CapitaRetail China Developments D18 (HK) Limited	Investment holding	Hong Kong	HK$1	**100**	100
[6]Growing State Holdings Limited	Investment holding	Hong Kong	HK$1	**100**	100
[4,11] Rongyue Chengdu Real Estate Co., Ltd.	Real estate investment and management	The People's Republic of China	RMB250,000,000	**100**	100
[4,11] Chengdu Huayun Jiangnan Real Estate Development Co., Ltd.	Real estate investment and management	The People's Republic of China	$170,541,791	**100**	100
[4,11] CapitaMalls Beijing Business Co., Ltd.	Investment and consultancy services	The People's Republic of China	US$500,000	**100**	100
Jupiter Retail Pte. Ltd.	Investment holding	Singapore	$1	**100**	–
JG2 Trustee Pte. Ltd. (formerly Jewel Trustee Pte. Ltd.)	Trust services	Singapore	$1	**100**	–

34. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	Effective interest held by the Group 2010 %
CMA Singapore Investments (6) Pte. Ltd.	Investment holding	Singapore	$1	100	–
[7]Abbey Road Limited	Investment holding	Cayman Islands	US$10,000	66	–
[6]Sky Vision (Hong Kong) Limited	Investment holding	Hong Kong	HK$2	66	–
[4,10] Shanghai Yongwei Real Estate Co., Ltd.	Real estate investment and managment	The People's Republic of China	US$202,650,000	66	–
CMA Singapore I Pte. Ltd.	Investment holding	Singapore	$50,000,000	100	–
[7]Chisholme Limited	Investment holding	British Virgin Islands	US$1	100	–
[7]Progressive Alliance Holdings Limited	Investment holding	British Virgin Islands	US$1	100	–
[7]Navin Holdings Limited	Investment holding	British Virgin Islands	US$1	100	–
[9]CMA China II Developments (HK1) Limited (formerly Big Earning Enterprises Limited)	Investment holding	Hong Kong	HK$1	100	–
[9]Fast Action Investments Limited	Investment holding	Hong Kong	HK$1	100	–
[9]Giant Castle Investments Limited	Investment holding	Hong Kong	HK$1	100	–
CMA CapitaStar Pte. Ltd.	Management activities	Singapore	$1,000,000	100	–
CMA China III Pte.Ltd.	Investment holding	Singapore	$1	100	–
[7]Gold Achiever Limited	Investment holding	British Virgin Islands	US$1	100	–
[7]Gold Conqueror Limited	Investment holding	British Virgin Islands	US$1	100	–

Notes to the Financial Statements

34. SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
[7]Gold Runner Limited	Investment holding	British Virgin Islands	US$1	**100**	–
[9]CMA Gamma Pte. Ltd.	Investment holding	Singapore	$1	**100**	–
[9]CMA Japan Trust One Godo Kaisha	Investment holding	Japan	JPY100,000	**100**	–
[9]CMA Trustee 1 Pte. Ltd.	Trust services	Singapore	$1	**100**	–

Notes:
All subsidiaries are audited by KPMG LLP Singapore except for the following:

1 *Audited by KPMG Mauritius (a member firm of KPMG International)*
2 *Audited by KPMG AZSA LLC (a member firm of KPMG International)*
3 *Audited by BSR and Co (a member firm of KPMG International)*
4 *Audited by KPMG China (a member firm of KPMG International)*
5 *Audited by KPMG Malaysia (a member firm of KPMG International)*
6 *Audited by KPMG Hong Kong (a member firm of KPMG International)*
7 *Not required to be audited by laws of country of incorporation*
8 *Liquidated during the year ended 31 December 2011*
9 *Not required to be audited as the company is newly incorporated*
10 *Equity joint venture registered under PRC law*
11 *Wholly owned foreign enterprise (WOFE) registered under PRC law*
12 *All shares in subsidiaries (where applicable) relates to ordinary shares except for CapitaLand Retail China Pte. Ltd which has two classes of shares, comprising ordinary and preference shares*
13 *This subsidiary has the following unsecured debt securities as at 31 December 2011: (i) one-year retail bond of $75.0 million bearing interest of 1.00% per annum with maturity date on 21 January 2012 (ii) three-year retail bond of $125.0 million bearing interest of 2.15% per annum with maturity date on 21 January 2014; and (iii) medium term notes of $350.0 million bearing interest of 3.95% per annum with maturity dates on 24 August 2017*
14 *This subsidiary issued two classes of senior notes amounting to an aggregate of $83.5 million during the year, bearing interest of 4.0% and 4.5% per annum respectively with maturity date on 1 April 2014. The notes are fully secured by mortgages on the investment property amounting to $270.7 million*

Notes to the Financial Statements

35. ASSOCIATES

Details of significant associates are as follows:

Name of associates	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	Effective interest held by the Group 2010 %
CapitaMall Trust	REIT	Singapore	Not applicable	**28.54**	29.85
CapitaMalls Japan Fund Pte. Ltd. (formerly CapitaRetail Japan Fund Private Limited)	Investment holding	Singapore	$2 (ordinary) JPY 39,740,000,000 (preference)	**26.29**	26.29
CapitaLand (RCS) Property Management Pte. Ltd.	Property management	Singapore	$10	**40.00**	40.00
CapitaRetail China Trust	REIT	Singapore	Not applicable	**27.00**	27.35
CapitaMalls China Income Fund (formerly CapitaRetail China Development Fund)	Property investment	Singapore	US$843,235,000	**45.00**	45.00
CapitaMalls China Development Fund II (formerly CapitaRetail China Development Fund II)	Property investment	Singapore	$900,000,000	**45.00**	45.00
CapitaMalls China Incubator Fund (formerly CapitaRetail China Incubator Fund)	Property investment	Singapore	US$425,000,000	**30.00**	30.00
CapitaMalls India Development Fund (formerly CapitaRetail India Development Fund)	Property investment	Singapore	$276,300,003	**45.45**	45.45
[1]Horizon Realty Fund, LLC	Investment holding	Mauritius	US$35,100	**21.43**	21.43
[2]CapitaMalls Malaysia Trust	REIT	Malaysia	Not applicable	**35.73**	41.74
[3]Reknown City Holdings Limited	Investment holding	British Virgin Islands	US$90	**50.00**	–
[4]CTM Property Trust	Property development	Singapore	$400,000,200	**31.25**	–

Notes:
All associates are audited by KPMG LLP Singapore except for the following:

1. *Audited by Ernst and Young and its associated firms*
2. *Audited by KPMG Malaysia (a member firm of KPMG International)*
3. *Not required to be audited by laws of country of incorporation*
4. *Not required to be audited as the entity is newly incorporated*
5. *All shares in associates (where applicable) relates to ordinary shares except for CapitaMalls Japan Pte. Ltd. (formerly CapitaRetail Japan Fund Private Limited) which has two classes of shares, comprising ordinary and preference shares*

36. JOINTLY-CONTROLLED ENTITIES

Details of jointly-controlled entities are as follows:

Name of jointly-controlled entities	Principal activities	Country of incorporation and place of business	Issued and fully paid-up share capital/registered capital	Effective interest held by the Group 2011 %	2010 %
[1]CapitaLand Hualian Management & Consulting (Beijing) Co., Ltd.	Property management and consultancy services	The People's Republic of China	RMB1,000,000	**50**	50
[2]CapitaLand Retail Prestige Mall Management Private Limited	Property management	India	INR50,000,000	**50**	50
Orchard Turn Holding Pte. Ltd.	Investment holding	Singapore	$2	**50**	50
ION Orchard Link Pte. Ltd.	Investment holding	Singapore	$2	**50**	50
Brilliance Residential (1) Pte. Ltd.	Real estate developer	Singapore	$1,000,000	**50**	50
Brilliance Mall Trust	Property development	Singapore	$1,000,000	**50**	50
[3]Jewel Residential (1) Pte. Ltd.	Real estate developer	Singapore	$2	**50**	50
Infinity Mall Trust	Property development	Singapore	$100	**50**	50
Infinity Office Trust	Property development	Singapore	$100	**50**	50

Notes:
All jointly-controlled entities are audited by KPMG LLP Singapore except for the following:

[1] *Audited by KPMG China (a member firm of KPMG International) and is registered as an equity joint venture under PRC law*
[2] *Audited by BSR and Co (a member firm of KPMG International)*
[3] *Not required to be audited as the entity is newly incorporated*
[4] *All shares in jointly-controlled entities (where applicable) relates to ordinary shares*

Notes to the Financial Statements

37. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- Amended FRS 12 *Amendments to FRS 12 Income Taxes: Deferred Tax Recovery of Underlying Assets*
- Amendments to FRS 107 *Disclosures-Transfers of Financial Assets*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosures of Interests in Other Entities*
- FRS 113 *Fair Value Measurements*

The Group is presently assessing the impact of the adoption of these standards and its consequential amendments. The Group has not considered the impact of accounting standards issued after the balance sheet date.

38. STATEMENT OF RECONCILIATION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial information have been prepared in accordance with FRS, which differs in certain respects from International Financial Reporting Standards ("IFRS"). With respect to the Group's operations, there are no material differences between FRS and IFRS.

39. COMPARATIVE INFORMATION

The comparative financial information in respect of share of results (net of tax) of associates and taxation have been adjusted to take into account the reclassification of tax payable arising from distribution received from an associate to taxation to conform with current year's presentation. The directors are of the view that the reclassification of such tax liability as taxation during the current financial year is more appropriate and relevant in the financial statements.

The effects of the restatement on the Group's financial information are set out below:

	2010	
	As restated $'000	As previously stated $'000
Consolidated income statements		
Share of results (net of tax) of associates	112,824	101,275
Taxation	(28,871)	(17,322)

Since the restatement only impacts the presentation and disclosure aspects, there is no impact on earnings per share.

40. SUBSEQUENT EVENT

Subsequent to the year ended 31 December 2011, the directors proposed a final dividend of 1.5 cents per share in respect of the financial year 2011 which is to be approved at the annual general meeting of shareholders.

On 12 January 2012, a wholly-owned subsidiary, CapitaMalls Asia Treasury Limited issued 10-year callable step-up bonds with an aggregate notional amount of $400.0 million.

On 20 February 2012, the Company has through Japan Trust, a trust for which the current sole subscriber is a wholly-owned subsidiary of the Company, acquired three retail malls in Japan that were previously wholly-owned by CapitaMalls Japan Fund Pte. Ltd., an associate in which the Group already has an existing 26.29% interest. The total investment for the properties (on a 100% basis) is approximately JPY13.2 billion (S$217.4 million). The acquisition will be funded by external borrowings. Following the acquisition, the Group would hold 100.0% of the three properties.

Other Information

1. DIRECTORS' REMUNERATION

a) 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][2] $	Award of shares[4] $	Directors' Fees inclusive of attendance fee[3] Cash component $	Shares component[5] $	Total $
Payable by Company:						
Executive Director						
Lim Beng Chee	717,178	954,379	404,754	–	–	2,076,311
Sub-Total 1	717,178	954,379	404,754	–	–	2,076,311
Non-Executive Director						
Liew Mun Leong	–	–	–	164,500[6]	70,500	235,000
Chua Kheng Yeng Jennie	–	–	–	53,900[6]	23,100	77,000
Lim Tse Ghow Olivier	–	–	–	101,500[6]	43,500	145,000
Sunil Tissa Amarasuriya	–	–	–	89,600	38,400	128,000
Tan Sri Amirsham A Aziz[7]	–	–	–	22,061[8]	9,455[8]	31,516
Dr Loo Choon Yong	–	–	–	102,900	44,100	147,000
Arfat Pannir Selvam	–	–	–	81,200	34,800	116,000
Professor Tan Kong Yam	–	–	–	90,300	38,700	129,000
Yap Chee Keong	–	–	–	105,000	45,000	150,000
Sub-Total 2	–	–	–	810,961	347,555	1,158,516
				Directors' Fees inclusive of attendance fee[9]		
Payable by Subsidiaries:				Cash component $	Units component[11] $	
Liew Mun Leong	–	–	–	161,600[6]	40,400	202,000
Lim Tse Ghow Olivier	–	–	–	55,200[6]	13,800	69,000
Lim Beng Chee	–	–	–	154,121[10]	27,940	182,061
Sub-Total 3	–	–	–	370,921	82,140	453,061
Total for Directors of the Company	717,178	954,379	404,754	1,181,882	429,695	3,687,888

1 *The bonus figures disclosed are based on an accrual basis and are accrued for the performance of the same year.*

2 *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 accrued for year 2011 is credited into the bonus account and a portion of the balance in the onus account will be paid out annually, provided that the account balance, which is subjected to a claw back feature, is positive.*

3 *The Directors' fees comprising retainer and attendance fees will only be paid as to about seventy per cent (70%) in cash and about thirty per cent (30%) in the form of shares to be allotted and issued by the Company. The actual number of shares to be allotted and issued to each Non-Executive Director will be based on the volume-weighted average price of a share on the SGX-ST over the 14 trading days immediately after AGM and rounded down to the nearest share and any residual balance settled in cash. Such Directors' fees will be paid upon approval by the shareholders at the forthcoming AGM of the Company.*

4 *Contingent awards of shares under the CapitaMalls Asia Restricted Stock Plan ("RSP") and CapitaMalls Asia Performance Share Plan ("PSP") were granted to Mr Lim Beng Chee. The final number of shares released to Mr Lim Beng Chee 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.*

5 *Non-Executive Directors are required to hold shares (including CMA shares obtained by other means) up to prevailing 1x Annual Basic Retainer ($Cap), any additional balance can be disposed of. Non-Executive Directors can dispose of all shares 1 year after leaving the Board if desired.*

6 *In respect of Directors who are employees of CapitaLand Limited, the cash component of their Directors' fees will be paid to CapitaLand Limited and they will be entitled to retain the shares/ units component of their Directors' fees.*

7 *Tan Sri Amirsham A Aziz was appointed as a director of the Company on 18 August 2011.*

8 *Tan Sri Amirsham A Aziz's director's fees in cash and shares components are rounded to the nearest dollar.*

9 *Except for CapitaMalls Malaysia REIT Management Sdn. Bhd. ("CMRM"), the Directors' fees comprising retainer and attendance fees will only be paid as to about eighty per cent (80%) in cash and about twenty per cent (20%) in the form of units. Such Directors' fees will be paid upon approval by the shareholders of the relevant subsidiaries. The actual number of units granted to each Non-Executive Director will be based on the volume-weighted average price of a unit on the SGX-ST over the 14 trading days immediately after the said shareholders' approval and rounded down to the nearest unit and any residual balance settled in cash. For CMRM, 100% of Mr Lim Beng Chee's director's fees of S$42,361 (eqivalent to RM103,000) are paid in cash to the Company.*

10 *The cash component of his Director's fees will be paid to the Company but he will be entitled to retain the units component of his Director's fees.*

11 *Non-Executive Directors are required to hold units up to prevailing 1x Annual Basic Retainer ($Cap), any additional balance can be disposed of. Non-Executive Directors can dispose of all units 1 year after leaving the board of the subsidiary, if desired.*

Other Information

1. DIRECTORS' REMUNERATION (CONT'D)

b) Directors' Compensation Table for the financial year ended 31 December 2010:

Directors of the Company	Salary inclusive of AWS and employer's CPF $	Bonus and other benefits inclusive of employer's CPF(1)(2) $	Directors' Fees inclusive of attendance fees(3) $	Award of shares(4) $	Total $
Payable by Company:					
Executive Director					
Lim Beng Chee	628,174	873,635	–	600,488	2,102,297
Sub-Total 1	628,174	873,635	–	600,488	2,102,297
Non-Executive Director					
Liew Mun Leong	–	–	156,116(5)	67,058	223,174
Chua Kheng Yeng Jennie	–	–	48,000(5)	17,526	65,526
Lim Tse Ghow Olivier	–	–	94,374(5)	36,896	131,270
Sunil Tissa Amarasuriya	–	–	91,000	31,592	122,592
Dr Fu Yuning(6)	–	–	46,000	18,679	64,679
Dr Loo Choon Yong	–	–	95,705	37,818	133,523
Arfat Pannir Selvam	–	–	69,964	29,517	99,481
Professor Tan Kong Yam	–	–	82,705	30,670	113,375
Hiroshi Toda(7)	–	–	28,333	8,546	36,879
Yap Chee Keong	–	–	105,964	38,049	144,013
Sub-Total 2	–	–	818,161	316,351	1,134,512
Total for Directors of the Company	628,174	873,635	818,161	916,839	3,236,809

1 *The bonus figures disclosed are based on an accrual basis and are accrued for the performance of the same year.*

2 *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 accrued for year 2010 is credited into the bonus account and a portion of the balance in the onus account will be paid out annually, provided that the account balance, which is subjected to a claw back feature, is positive.*

3 *The director's fees were approved by the shareholders and had since been paid.*

4 *The awards granted under the CapitaMalls Asia Restricted Stock Plan ("RSP") to the Directors (except for Mr Lim Beng Chee) are time-based with no performance conditions and will be released over a vesting period of two years. The awards of shares figures disclosed are based on the fair value at the time of grant. Contingent awards of shares under the RSP and the CapitaMalls Asia Performance Share Plan ("PSP") were granted to Mr Lim Beng Chee. The final number of shares released to Mr Lim Beng Chee 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.*

5 *Director's fee is payable to CapitaLand Limited from 25 November 2009, the date the Company ceased to be a wholly-owned subsidiary of CapitaLand.*

6 *Dr Fu Yuning resigned as a director of the Company on 1 January 2011.*

7 *Mr Hiroshi Toda resigned as a director of the Company on 16 June 2010.*

Other Information

1. DIRECTORS' REMUNERATION (CONT'D)

c) Number of Directors of CapitaMalls Asia Limited in Remuneration Bands:

Remuneration Bands	2011	2010
$500,000 and above	1	1
$250,000 to $499,999	–	–
Below $250,000	9	10
Total	10	11

2. EXECUTIVES' REMUNERATION

Remuneration Data (for key executive) for the financial year ended 31 December 2011:

Total Compensation Bands[1]	Name of employees[2]
$1,250,000 to $1,499,999	Ho Chee Hwee Simon
$1,000,000 to $1,249,999	Ng Kok Siong, Lock Wai Han, Yong Kam Yuen Simon
$750,000 to $999,999	Lim Hwee Li Sharon , Chee Tien Jin Kevin
$500,000 to $749,999	Tan Tee Hieong Tony, Goh Soon Yong
$250,000 to $499,999	Tan Wee Yan Wilson[3], Goh Hwee Peng Jesline[4]

1 *Total Compensation comprises salary, annual wage supplement, bonus, value of the contingent awards of shares granted, value of REITs units granted and other benefits in kind.*

2 *Key Executives refer to Chief Executive Officers, Deputy Chief Executive Officer and Country Heads of CapitaMalls Asia subsidiaries as well as the Chief Financial Officer, Chief Development Officer and Chief Asset Management Officer of CapitaMalls Asia Corporate Office. It includes 2 executives who had resigned from the Company on 1 January 2012 and 1 February 2012 respectively.*

3 *Tan Wee Yan Wilson's total compensation is pro-rated as he joined the company on 5 September 2011.*

4 *Goh Hwee Peng Jesline's total compensation is pro-rated as she was on no-pay leave for the period 10 January 2011 to 30 June 2011.*

3. APPOINTMENT OF AUDITORS

The Company confirms that it has complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to its auditing firms.

4. INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Group	$'000
Transactions on Sale of Goods and Services:	
CapitaLand Limited and its associates	6,009
Transactions on Purchase of Goods and Services:	
CapitaLand Limited and its associates	51,585
Associates of Temasek Holdings (Private) Limited	500
Transactions on Investments:	
CapitaLand Limited and its associates	782,500
CapitaLand Limited and its associates together with Temasek Holdings (Private) Limited and its associates	350,000
Transactions on Interest Payable in Relation to Subscription of Bonds by the Director:	
Associate of Liew Mun Leong	129

5. MATERIAL CONTRACTS

The material contracts entered into between the Group involving the interests of the Group's controlling shareholder (as defined in the SGX-ST Listing Manual), which have been subsisting as at the end of the financial year ended 31 December 2011 are as follows:

(a) the collaboration agreement dated 30 October 2009 entered into between the Company and CapitaLand relating to agreed parameters regarding the extent to which the CapitaLand group of companies may engage in businesses that may compete with the Group's businesses;

(b) the licence agreement dated 30 October 2009 entered into between the Company and CapitaLand for the licence to use certain trademarks owned by CapitaLand in the Group's business;

(c) the joint venture agreement dated 27 June 2011 ("Jurong Gateway Joint Venture Agreement") between (i) CMA Singapore Investments (4) Pte. Ltd. ("CMA4", a wholly-owned subsidiary of the Company), (ii) CMA Singapore Investments (5) Pte. Ltd. ("CMA5", a wholly-owned subsidiary of the Company), (iii) HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust ("CMT Trustee"), (iv) CL JM Pte. Ltd. ("CLJM", a wholly-owned subsidiary of CapitaLand) and (v) CL JO Pte. Ltd. ("CLJO", a wholly-owned subsidiary of CapitaLand, and together with CMA4, CMA5, the CMT Trustee and CLJM collectively, the "JG Consortium") to regulate their rights and obligations in connection with, *inter alia*, the joint development of the land at Boon Lay Way, Singapore known as Lot 8630V MK 5 ("Jurong Gateway Site"). The Jurong Gateway Site was awarded at the tender price of approximately S$969.0 million to the joint venture entities in which the interests that the Company, CapitaMall Trust and CapitaLand hold indirectly are 50%, 30% and 20% respectively;

(d) the joint venture agreement dated 6 September 2010 ("Bedok Joint Venture Agreement") between CMA Singapore Investments (3) Pte. Ltd. ("CMASI", a wholly-owned subsidiary of the Company) and Brilliance Residential Pte. Ltd. ("BRPL", a wholly-owned subsidiary of CapitaLand) to regulate their rights and obligations in connection with, *inter alia*, the joint development of the site located at New Upper Changi Road/Bedok North Drive in Singapore ("Bedok Town Centre Site"). The Bedok Town Centre Site was awarded at the tender price of approximately S$788.9 million to the joint venture entities. The Company and CapitaLand each hold an indirect 50% interest in the joint venture entities through their respective wholly-owned subsidiaries;

(e) the shared services agreement dated 29 December 2011 ("Shared Services Agreement") entered into between the Company and CapitaLand pursuant to which CapitaLand provides the Group with advisory and other services in relation to treasury functions, administration, information technology, human resource, tax, risk management and corporate communication services and marketing. The annual fee for the service is computed in accordance with a formula set out in the agreement, subject to a minimum fee of S$2.5 million per annum; and

(f) the agreement dated 29 December 2011 entered into between the Company and CapitaLand for use of CapitaLand's information technology infrastructure by the Group ("2011 IT Agreement"). The consideration is calculated in accordance with the terms set out in the agreement, which was estimated to be approximately S$9.04 million.

Other than as disclosed, there were no material contacts were entered into by the Company or any of its subsidiaries during the financial year ended 31 December 2011 involving the interests of the chief executive officer, any director or controlling shareholders (as defined in the SGX-ST Listing Manual) pursuant to Rule 1207(8) of the SGX-ST Listing Manual.

6. CONTRACTS OF SIGNIFICANCE

The contracts of significance (as defined in the HKEx Listing Rules) entered into between the Group and CapitaLand, being the controlling shareholder (as defined in the HKEx Listing Rules), and its subsidiaries which have been subsisting during the financial year ended 31 December 2011 include:

(a) the Jurong Gateway Joint Venture Agreement;

(b) the Bedok Joint Venture Agreement;

(c) the Shared Services Agreement;

(d) the 2011 IT Agreement;

(e) the shared services agreement dated 28 December 2010 entered into between the Company and CapitaLand pursuant to which CapitaLand would provide the Group with advisory and other services in relation to treasury functions, administration, information technology, human resource, tax, risk management and corporate communication services and marketing. The annual fee for the service is computed in accordance with a formula set out in the agreement, subject to a minimum fee of S$2.5 million per annum. The agreement expired on 31 December 2011;

(f) the agreement dated 28 December 2010 entered into between the Company and CapitaLand for use of CapitaLand's information technology infrastructure by the Group. The consideration is calculated in accordance with the terms set out in the agreement, which was estimated to be approximately S$7.2 million. The agreement expired on 31 December 2011; and

(g) the administrative support services agreement dated 8 August 2011 between CapitaLand Commercial Limited ("CCL"), a wholly-owned subsidiary of CapitaLand, and the Company, pursuant to which CCL provides the Company with certain administrative support services in consideration of a monthly fee equivalent to S$74,500.

Shareholding Statistics

As at 14 February 2012

Share capital fully paid

S$4,607,514,343 (comprising 3,885,081,827 fully paid Ordinary Shares; voting rights: one vote per share)

Twenty largest shareholders

As shown in the Register of Members and Depository Register

S/No.	Name	No. of Shares	%
1	CapitaLand Limited	2,496,020,000	64.25
2	Citibank Nominees Singapore Pte Ltd	408,630,300	10.52
3	DBS Nominees Pte Ltd	198,313,248	5.10
4	DBSN Services Pte Ltd	130,682,447	3.36
5	HSBC (Singapore) Nominees Pte Ltd	73,550,218	1.89
6	United Overseas Bank Nominees (Pte) Ltd	70,183,703	1.81
7	Raffles Nominees (Pte) Ltd	66,971,071	1.72
8	HKSCC Nominees Limited	50,220,500	1.29
9	BNP Paribas Securities Services Singapore	36,174,954	0.93
10	DB Nominees (Singapore) Pte Ltd	8,890,300	0.23
11	UOB Kay Hian Pte Ltd	7,377,000	0.19
12	BNP Paribas Nominees Singapore Pte Ltd	7,211,695	0.19
13	DBS Vickers Securities (Singapore) Pte Ltd	7,003,903	0.18
14	Phillip Securities Pte Ltd	5,435,000	0.14
15	Bank Of Singapore Nominees Pte Ltd	5,000,333	0.13
16	OCBC Securities Private Ltd	4,952,000	0.13
17	Maybank Kim Eng Securities Pte Ltd	4,529,000	0.12
18	Morgan Stanley Asia (Singapore) Securities Pte Ltd	4,065,073	0.10
19	Merrill Lynch (Singapore) Pte. Ltd.	3,358,910	0.09
20	OCBC Nominees Singapore Private Limited	3,198,502	0.08
		3,591,768,157	92.45

Shareholding Statistics

As at 14 February 2012

Substantial shareholders

As shown in the Register of Substantial Shareholders as at 14 February 2012

	No. of ordinary shares in which substantial shareholder has a					
	Direct Interest		Deemed Interest		Total Interest	
Substantial Shareholder	No. of Shares	%	No. of Shares	%	No. of Shares	%
Temasek Holdings (Private) Limited ("Temasek")[(1)]	0	0	2,544,576,975	65.50	2,544,576,975	65.50
CapitaLand Limited ("CapitaLand")[(2)]	2,544,020,000	65.48	0	0	2,544,020,000	65.48

Notes:

(1) *By virtue of Section 7 of the Companies Act, Cap. 50 of Singapore, Temasek is deemed to have an interest in 2,544,576,975 ordinary shares in which Temasek's subsidiaries and associated companies have or deemed to have an interest. Temasek is wholly owned by the Minister for Finance.*

(2) *CapitaLand has a direct interest in 2,544,020,000 ordinary shares in which 48,000,000 ordinary shares are held through HKSCC Nominees Limited.*

Size of shareholdings

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	29	0.08	9,773	0.00
1,000 - 10,000	30,554	85.70	111,139,437	2.86
10,001 - 1,000,000	5,043	14.15	172,222,460	4.43
1,000,001 and above	25	0.07	3,601,710,157	92.71
	35,651	100.00	3,885,081,827	100.00

Approximately 34.44% 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.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of CapitaMalls Asia Limited (the "Company") will be held at the Stamford Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Friday, 13 April 2012 at 10.00 a.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2011 and the Auditors' Report thereon. (Ordinary Resolution 1)

2. To declare a final 1-tier dividend of S$0.015 per share for the year ended 31 December 2011. (Ordinary Resolution 2)

3. To approve Directors' fees of S$1,158,516 for the year ended 31 December 2011 comprising: (Ordinary Resolution 3)

   (a) S$810,961.20 to be paid in cash (2010: S$818,161); and

   (b) S$347,554.80 to be paid in ordinary shares in the capital of the Company ("shares") by way of the allotment and issue of such number of shares, as determined in accordance with the formula set out in the explanatory note to this Resolution 3 below, with any residual balance to be paid in cash (2010: S$316,351[1]).

4. 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:

   (i) Ms Chua Kheng Yeng Jennie (Ordinary Resolution 4(i))
   (ii) Dr Loo Choon Yong (Ordinary Resolution 4(ii))
   (iii) Mrs Arfat Pannir Selvam (Ordinary Resolution 4(iii))

5. To re-elect Tan Sri Amirsham A. Aziz, a Director retiring pursuant to Article 101 of the Articles of Association of the Company and who, being eligible, offers himself for re-election. (Ordinary Resolution 5)

6. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

7. To transact such other ordinary business as may be transacted at an AGM of the Company. (Ordinary Resolution 7)

(B) AS SPECIAL BUSINESS

8. To consider and, if thought fit, to pass with or without any modification, the following resolutions as Ordinary Resolutions:

   8A That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "Companies Act"), authority be and is hereby given to the Directors of the Company to: (Ordinary Resolution 8A)

[1] *Based on fair value of restricted stock awarded to non-executive Directors under the previous CapitaMalls Asia Restricted Stock Plan in recognition of their contributions for 2010. This amount did not form part of the Directors' fees for 2010 and is for comparison purposes only.*

(a) (i) issue 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) securities, 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

(b) (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,

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) shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares, if any) (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) shall not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares, if any) (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 (the "SGX-ST") and/or The Hong Kong Stock Exchange Limited (the "HKEx")) 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, if any) shall be based on the total number of issued shares (excluding treasury shares, if any) at the time this Resolution is passed, after adjusting for:

(I) any 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 and the Rules Governing the Listing of Securities on the HKEx for the time being in force (unless such compliance has been waived by the SGX-ST and/or the HKEx, as the case may be) 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 (i) the conclusion of the next AGM of the Company or (ii) the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

8B That the Directors of the Company be and are hereby authorised to: (Ordinary Resolution 8B)

(a) grant awards in accordance with the provisions of the CapitaMalls Asia Performance Share Plan (the "Performance Share Plan") and/or the CapitaMalls Asia Restricted Stock Plan (the "Restricted Stock Plan"); and

(b) allot and issue from time to time such number of fully paid shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted under the Performance Share Plan and/or the Restricted Stock Plan,

provided that the aggregate number of new shares to be issued, when aggregated with existing shares (including treasury shares, if any and cash equivalents) delivered and/or to be delivered pursuant to the Performance Share Plan, the Restricted Stock Plan and all shares 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, if any) from time to time.

8C That: (Ordinary Resolution 8C)

(a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(I) market purchase(s) on the SGX-ST, The Stock Exchange of Hong Kong Limited (the "HKEx") and/or any other stock exchange on which the shares may for the time being be listed and quoted (the "Other Exchange"); and/or

(II) off-market purchase(s) (if effected otherwise than on the SGX-ST, the HKEx or, as the case may be, the Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST, the HKEx or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(I) the date on which the next AGM of the Company is held; and

(II) the date by which the next AGM of the Company is required by law to be held;

(c) in this Resolution:

"Average Closing Price" means:

(I) in the case of a market purchase, the average of the last dealt prices of a share for the five consecutive Market Days on which the shares are transacted on the SGX-ST, the HKEx or, as the case may be, the Other Exchange, immediately preceding the date of the market purchase by the Company; or

(II) in the case of an off-market purchase, the average of the last dealt prices of a share for the five consecutive Market Days on which the shares are transacted on the SGX-ST, the HKEx or, as the case may be, the Other Exchange, whichever is the lowest (and where the shares are traded in different currencies between the exchanges, as determined by the Company based on the exchange rate quoted by Bloomberg L.P. on the date of the making of the offer pursuant to the off-market purchase), immediately preceding the date of the making of the offer pursuant to the off-market purchase,

and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

Notice of Annual General Meeting

"date of the making of the offer" means the date on which the Company makes an offer for an off-market purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an off-market purchase) for each share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"Market Day" means a day on which the SGX-ST, the HKEx, the Other Exchange, as the case may be, is open for trading in securities;

"Maximum Limit" means that number of shares representing ten per cent. (10%) of the issued shares as at the date of the passing of this Resolution (excluding treasury shares, if any); and

"Maximum Price" in relation to a share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(I) in the case of a market purchase of a share, one hundred and five per cent. (105%) of the Average Closing Price of the shares; and

(II) in the case of an off-market purchase of a share pursuant to an equal access scheme, one hundred and ten per cent. (110)% of the Average Closing Price of the shares; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

BY ORDER OF THE BOARD

KANNAN MALINI
Company Secretary

Singapore
9 March 2012

Notice of Annual General Meeting

Notes:

I A member of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

II Where a member of the Company appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

III The proxy form must be lodged/deposited at the office of the Company's Singapore Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders), or at the office of the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong shareholders), not later than 11 April 2012 at 10.00 a.m. being 48 hours before the time fixed for the AGM of the Company.

Explanatory notes:

1 In relation to Ordinary Resolution 3 under the heading "As Ordinary Business", the total compensation of the non-executive Directors for 2011 comprises a combination of cash and shares. If approved, the aggregate amount of Directors' fees of S$1,158,516 will be paid out as to S$810,961.20 in cash, and S$347,554.80 in the form of shares to be allotted and issued by the Company with any residual balance to be paid in cash. Consequently, and in accordance with the "Directors' Fee Policy" described in the Other Information section of the Company's Annual Report 2011, a non-executive Director who served on the Board during 2011 will be remunerated as to about seventy per cent. (70%) of his total Directors' fees in cash and about thirty per cent. (30%) of his total Directors' fees in the form of shares to be allotted and issued by the Company. The number of shares to be allotted 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 AGM, rounded down to the nearest share, and any residual balance settled in cash. 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 at all times during his Board tenure. In respect of Mr Liew Mun Leong, Ms Chua Kheng Yeng Jennie and Mr Olivier Lim Tse Ghow, who are employees of CapitaLand Limited ("CL"), the cash component of their Directors' fees will be paid to CL and they will be entitled to retain the shares component of their Directors' fees. Directors and their associates must abstain from voting on Ordinary Resolution 3.

In comparison, the contingent share awards which were granted under the Restricted Stock Plan to non-executive Directors in recognition of their contributions for 2010 did not form a part of their Directors' fees and thus were not directly linked to their compensation. The awards were time-based with no performance conditions and released over a vesting period of two years. The awards of shares amounted to S$316,351 in aggregate (details can be found in the Other Information section of the Company's Annual Report 2010) based on the fair value of the shares comprised in the awards under the Restricted Stock Plan at the time of grant. As it is intended that share awards will have a direct linkage to the total compensation of the non-executive Directors for 2011 and as their aggregate Directors' fees are subject to the approval of shareholders at the AGM, no contingent share awards were granted under the Restricted Stock Plan to the non-executive Directors during 2011.

2 In relation to Ordinary Resolution 4 under the heading "As Ordinary Business", Dr Loo Choon Yong will, upon re-election continue to serve as Chairman of the Executive Resource and Compensation Committee and the Nominating Committee and a Member of the Investment Committee; and Mrs Arfat Pannir Selvam will, upon re-election continue to serve as a Member of the Corporate Disclosure Committee and the Nominating Committee. Ms Jennie Chua is considered as a Non-Executive Director. Dr Loo and Mrs Arfat Selvam are considered as Independent Non-Executive Directors. Please refer to Appendix I for biographical details of Ms Jennie Chua, Dr Loo and Mrs Arfat Selvam.

Notice of Annual General Meeting

3 In relation to Ordinary Resolution 5 under the heading "As Ordinary Business", Article 101 of the Company's Articles of Association permits the Directors to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM, and shall then be eligible for re-election. Tan Sri Amirsham A. Aziz was appointed on 18 August 2011 and is seeking re-election at the AGM. Tan Sri Amirsham is considered as an Independent Non-Executive Director. Please refer to Appendix II for biographical details of Tan Sri Amirsham.

4 Ordinary Resolution 8A under the heading "As Special Business", if passed, will empower the Directors to issue shares and to make or grant instruments (such as warrants, debentures or other securities) convertible into shares, and to issue shares in pursuance of such instruments from the date of the AGM of the Company until the date of the next AGM of the Company, unless such authority is earlier revoked or varied by the shareholders of the Company at a 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, if any) with a sub-limit of twenty per cent. (20%) 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, if any) will be calculated based on the total number of issued shares (excluding treasury shares, if any) at the time that Ordinary Resolution 8A 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 8A is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

5 Ordinary Resolution 8B under the heading "As Special Business", if passed, will empower the Directors to grant awards under the Performance Share Plan and the Restricted Stock Plan, and to allot and issue shares pursuant to the vesting of such awards provided that the aggregate number of new shares to be issued, when aggregated with existing shares (including treasury shares, if any and cash equivalents) delivered and/or to be delivered pursuant to the Performance Share Plan and the Restricted Stock Plan and all shares 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, if any) from time to time.

6 Ordinary Resolution 8C under the heading "As Special Business", if passed, will empower the Directors to exercise all the powers of the Company to purchase or otherwise acquire shares not exceeding in aggregate ten per cent. (10%) of the total number of issued shares as at the date of the passing of this Resolution (excluding treasury shares) in the capital of the Company from the date of the AGM until the date of the next AGM, whether by way of market purchase(s) or off-market purchase(s), on the terms of the Share Purchase Mandate set out in Appendix III.

The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this notice of AGM as these will depend on, *inter alia*, whether the shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of shares purchased or acquired, and the consideration paid at the relevant time. For illustrative purposes only, the financial effects of an assumed purchase or acquisition of ten per cent. (10%) of its shares by the Company as at 14 February 2012, at a purchase price equivalent to the Maximum Price per share, in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2011 and certain assumptions, are set out in paragraph 2.7 of the Appendix circulated to shareholders of the Company.

Appendix I

BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED PURSUANT TO ARTICLE 95 AT THE AGM

Set out below are details of Ms Chua Kheng Yeng Jennie, Dr Loo Choon Yong and Mrs Arfat Pannir Selvam, who are retiring by rotation pursuant to the Article 95 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election at the AGM.

As disclosed in the section entitled "Waivers" in the listing document of the Company dated 30 September 2011 issued in connection with its secondary listing on The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission of Hong Kong has granted the Company a partial exemption of Part XV of the Securities and Futures Ordinance, and the Company should comply with requirements relating to the disclosure of interests of the directors in compliance with the Singapore Companies Act and the Securities and Futures Act in Singapore, subject to certain conditions stated therein. As at 28 February 2012, each of the following Directors, save as disclosed herein, did not have any other interest in shares of the Company.

Save as disclosed herein, each of the following Directors does not hold any other position with the Company or any other member of the Company's group, nor has any directorship in other listed public companies in the last three years, and has any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEx Listing Rules")) of the Company.

Save as disclosed herein, there is no other matter in relation to Ms Chua Kheng Yeng Jennie, Dr Loo Choon Yong and Mrs Arfat Pannir Selvam that need to be brought to the attention of the shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of the Rule 13.51(2)(h) to (v) of the HKEx Listing Rules.

Ms Chua Kheng Yeng Jennie, aged 67, has been appointed as a Non-Executive Director since 30 October 2009 and was last re-elected as Director at the Company's Annual General Meeting on 12 April 2010. Ms Chua is the Chief Corporate Officer of CapitaLand Limited (listed on Singapore Exchange Securities Trading Limited (the "SGX-ST"). She is a board member of CapitaValue Homes Limited, CapitaLand ILEC Pte. Ltd., CapitaLand Hope Foundation, The Ascott Limited and Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust listed on the SGX-ST).

Ms Chua is Chairman of Alexandra Health/Khoo Teck Puat Hospital, Community Chest of Singapore, Sentosa Cove, Singapore Film Commission, International Advisory Council for Tourism, Tourism Industry Skills & Training Council and The Arts House. She co-chairs the Governing Council of the Institute of Service Excellence and is Deputy Chairman of Temasek Foundation.

Ms Chua is a member of Singapore's Pro-Enterprise Panel, a Board Director of Ministry of Health Holdings Pte Ltd, Singapore International Chamber of Commerce and NYU Tisch School of the Arts Asia, Ltd..

Ms Chua is also on the Board of Trustees of Nanyang Technological University, Singapore.

Ms Chua is a Justice of Peace and Singapore's Non-Resident Ambassador to The Slovak Republic.

She is also a Board Director of ISS A/S & ISS World Services A/S.

Awards and accolades which she has received include three Singapore National Day Awards (1984, 2004 & 2008), Outstanding Contribution to Tourism Award 2006, Women's World Excellence Awards 2006, Travel Personality of the Year Award 2005, National Trade Union Congress (NTUC) Medal of Commendation 2005, 25 Stars of Asia Award 2003, Person of the Year – Asia Pacific (Hotel) 2002, National Productivity 2002, Pacific Area Travel Writers Association Hall of Fame 2000, Hotelier of the Year 1999, Woman of the Year 1999, Champion of the Arts 1999 and Independent Hotelier of the World 1997.

There is no service contract entered into between Ms Chua and the Company, but her appointment will be subject to the rotation and retirement requirements in accordance with the Articles of Association of the Company.

Ms Chua is entitled to receive an annual Directors' fees of S$58,000 per annum, subject to the approval of shareholders of the Company at the forthcoming AGM. Her fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies in Singapore having taken into consideration factors such as net profit, market capitalisation and net asset. The Directors' fees will be paid as to about seventy per cent. (70%) of her total Director's fees in cash and about thirty per cent. (30%) of her total Director's fees in the form of shares to be allotted and issued by the Company.

As at 28 February 2012, Ms Chua had an interest in 159,800 shares and an interest of 3,800 underlying shares in respect of share awards granted to her under CapitaMalls Asia Restricted Stock Plan.

Dr Loo Choon Yong, aged 62, has been appointed as an Independent Non-Executive Director since 30 October 2009 and was last re-elected as Director at the Company's Annual General Meeting on 12 April 2010. He is also Chairman of Executive Resource and Compensation Committee and Nominating Committee and a member of Investment Committee.

Dr Loo is the Executive Chairman of Raffles Medical Group Ltd (listed on the SGX-ST), one of Singapore's leading private integrated healthcare providers. He co-founded the Raffles Medical Group in 1976 and was appointed to his current position in 1989. Dr Loo holds a number of directorships in several companies, including International Medical Insurers Pte. Ltd. and Raffles Hospital Pte Ltd. Dr Loo was appointed by the President of Singapore as the Non-Resident Ambassador to the Italian Republic. He chairs the Sentosa Development Corporation and Sentosa Golf Club. He is a member of the Board of Trustees of Singapore Management University. He is the Chairman of the Asian Medical Foundation Ltd.

Dr Loo was a Nominated Member of the Singapore Parliament from January 2005 to May 2006 and again from January 2007 to June 2009. He was the former Deputy Chairman of the Action Community for Entrepreneurship, a public-private collaboration to promote entrepreneurship in Singapore. He also served as a member of the Singapore Government Economic Review Committee (ERC) and Chairman of the ERC's Healthcare Services Working Group. He was a member of the Board of Trustees of Chinese Development Assistance Council.

In the area of social service, Dr Loo had been active in the fight against drug abuse and was the former chairman of National Council Against Drug Abuse and President of Singapore Anti-Narcotic Association.

Besides his medical training, Dr Loo also read Law at the University of London and is a barrister of Middle Temple.

Dr Loo was awarded the Singapore National Day Awards Public Service Medal (2003) and Public Service Star (2009) and the Distinguished Service Award (2005) from the Ministry of Home Affairs for his contributions to Singapore's fight against drug abuse.

Dr Loo was conferred the CEO of the Year award in May 2010 at the Singapore Corporate Awards organised by The Business Times and supported by Singapore Stock Exchange.

There is no service contract entered into between Dr Loo and the Company, but his appointment will be subject to the rotation and retirement requirements in accordance with the Articles of Association of the Company.

Dr Loo is entitled to receive an annual Directors' fees of S$58,000 per annum, subject to the approval of shareholders of the Company at the forthcoming AGM. His fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies in Singapore having taken into consideration factors such as net profit, market capitalisation and net asset. The Directors' fees will be paid as to about seventy per cent. (70%) of his total Director's fees in cash and about thirty per cent. (30%) of his total Director's fees in the form of shares to be allotted and issued by the Company.

As at 28 February 2012, Dr Loo had an interest in 783,200 shares and an interest of 8,200 underlying shares in respect of share awards granted to him under CapitaMalls Asia Restricted Stock Plan.

Mrs Arfat Pannir Selvam, aged 66, has been appointed as an Independent Non-Executive Director since 30 October 2009 and was last re-elected as Director at the Company's Annual General Meeting on 12 April 2010. She is also a member of Corporate Disclosure Committee and Nominating Committee.

Mrs Selvam is presently the Managing Director of Selvam LLC, a corporate finance law practice and its joint law venture, Duane Morris & Selvam LLP. With over 40 years in legal practice as a corporate finance lawyer, Mrs Selvam has been involved in some landmark Singapore M&A transactions.

Mrs Selvam was the President of the Law Society of Singapore in 2003. She was also a member of the Senate of the Academy of Law, the Board of Legal Education and the Board of the Accounting and Corporate Regulatory Authority. She is a Fellow of the Singapore Institute of Directors. She is also a Director of CapitaLand Limited (listed on the SGX-ST) and Singapore Health Services Pte. Ltd.

Mrs Selvam serves the community through her participation as President of the Muslim Financial Planning Association, member of the Executive Committee of Breast Cancer Foundation and member of the Board of Trustees of Rahmatan Lil'Alamin Foundation Ltd. She is also Chairman of the Law Society of Singapore Pro Bono, Management Committee.

Mrs Selvam is a graduate of the University of Singapore and was admitted to practise as an Advocate & Solicitor of the Supreme Court of Singapore in 1969.

There is no service contract entered into between Mrs Selvam and the Company, but her appointment will be subject to the rotation and retirement requirements in accordance with the Articles of Association of the Company.

Mrs Selvam is entitled to receive an annual Directors' fees of S$58,000 per annum, subject to the approval of shareholders of the Company at the forthcoming AGM. Her fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies in Singapore having taken into consideration factors such as net profit, market capitalisation and net asset. The Directors' fees will be paid as to about seventy per cent. (70%) of her total Director's fees in cash and about thirty per cent. (30%) of her total Director's fees in the form of shares to be allotted and issued by the Company.

As at 28 February 2012, Mrs Selvam had an interest in 60,400 shares and an interest of 6,400 underlying shares in respect of share awards granted to him under CapitaMalls Asia Restricted Stock Plan.

Appendix II

BIOGRAPHICAL DETAILS OF DIRECTOR PROPOSED TO BE RE-ELECTED PURSUANT TO ARTICLE 101 AT THE AGM

Set out below are details of Tan Sri Amirsham A Aziz, who was appointed to the Board with effect from 18 August 2011. Pursuant to the Article 101 of the Articles of Association of the Company, Tan Sri Amirsham shall hold his office only until the AGM, and will be retiring at the AGM. Being eligible, Tan Sri Amirsham will offer himself for re-election at the AGM.

As disclosed in the section entitled "Waivers" in the listing document of the Company dated 30 September 2011 issued in connection with its secondary listing on The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission of Hong Kong has granted the Company a partial exemption of Part XV of the Securities and Futures Ordinance, and the Company should comply with requirements relating to the disclosure of interests of the directors in compliance with the Singapore Companies Act and the Securities and Futures Act in Singapore, subject to certain conditions stated therein. As at 28 February 2012, Tan Sri Amirsham does not have any interest in shares of the Company.

Save as disclosed herein, Tan Sri Amirsham does not hold any other position with the Company or any other member of the Company's group, nor has any directorship in other listed public companies in the last three years, and has any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEx Listing Rules")) of the Company.

Save as disclosed herein, there is no other matter in relation to Tan Sri Amirsham that need to be brought to the attention of the shareholders and there is no other information relating to Tan Sri Amirsham which is required to be disclosed pursuant to any of the requirements of the Rule 13.51(2)(h) to (v) of the HKEx Listing Rules.

Tan Sri Amirsham A Aziz, aged 61, joined the Board as an Independent Non-Executive Director on 18 August 2011.

Tan Sri Amirsham is currently an Independent Non-Executive Director and audit committee member of Lingui Developments Berhad (listed on the Bursa Malaysia Securities Berhad) and Samling Global Limited (listed on The Stock Exchange of Hong Kong Limited).

Tan Sri Amirsham served as the President and CEO of Malayan Banking Berhad (Maybank) from 1994 to 2008. He retired from Maybank in March 2008. Prior to his retirement, he was appointed Minister in the Prime Minister's Department to head the Economic Planning Unit and Department of Statistics, Malaysia from March 2008 to April 2009. Subsequently he was appointed as Chairman of the National Economic Advisory Council on 1 June 2009, a position he held until 31 May 2011.

In 2008, Tan Sri Amirsham was awarded the Asian Bankers Lifetime Achievement Award in recognition of his outstanding leadership in financial services, and he was inducted into the Global Hall of Fame by the International Association of Outsourcing Professionals in 2009.

Tan Sri Amirsham holds an Honours degree in Economics from the University of Malaya. He is a Certified Public Accountant.

There is no service contract entered into between Tan Sri Amirsham and the Company, but his appointment will be subject to the rotation and retirement requirements in accordance with the Articles of Association of the Company.

Tan Sri Amirsham is entitled to receive an annual Directors' fees of S$58,000 per annum, subject to the approval of shareholders of the Company at the forthcoming AGM. His fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies in Singapore having taken into consideration factors such as net profit, market capitalisation and net asset. The Directors' fees will be paid as to about seventy per cent. (70%) of his total Director's fees in cash and about thirty per cent. (30%) of his total Director's fees in the form of shares to be allotted and issued by the Company.

Appendix III

9 March 2012

This Appendix is circulated to shareholders of CapitaMalls Asia Limited (the "Company"). Its purpose is to provide shareholders of the Company with information on the proposed adoption of a share purchase mandate to be tabled at the Annual General Meeting of the Company to be held at the Stamford Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Friday, 13 April 2012 at 10.00 a.m.

If you are in any doubt as to the action you should take, you should consult your stockbroker or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements made or opinions expressed in this Appendix.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Appendix, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Appendix.

APPENDIX III TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 9 MARCH 2012 IN RELATION TO THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

Appendix III

CONTENTS

Appendix III

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

"AGM"	The Annual General Meeting of the Company to be held on 13 April 2012
"Average Closing Price"	Has the meaning ascribed to it in paragraph 2.3(d) of this Appendix
"Awards"	Has the meaning ascribed to it in paragraph 2.3(a) of this Appendix
"CDP"	The Central Depository (Pte) Limited
"Companies Act"	The Companies Act, Chapter 50 of Singapore as amended from time to time
"Company" or "CMA"	CapitaMalls Asia Limited
"date of the making of the offer"	Has the meaning ascribed to it in paragraph 2.3(d) of this Appendix
"Directors"	The directors of the Company
"Group"	The Company and its subsidiaries
"HK Codes"	The Codes on Takeovers and Mergers and Share Repurchases published by the SFC
"HK Listing Document"	The listing document dated 30 September 2011 issued by the Company in connection with its secondary listing by way of introduction on the HKEx
"HKEx"	The Stock Exchange of Hong Kong Limited
"HKEx Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended and modified
"Latest Practicable Date"	14 February 2012, being the latest practicable date prior to the printing of this Appendix
"Market Day"	A day on which the SGX-ST or the HKEx, as the case may be, is open for trading in securities
"Market Purchases"	Has the meaning ascribed to it in paragraph 2.3(c) of this Appendix
"Maximum Price"	Has the meaning ascribed to it in paragraph 2.3(d) of this Appendix
"Notice of AGM"	The notice of the AGM dated 9 March 2012
"Off-Market Purchases"	Has the meaning ascribed to it in paragraph 2.3(c) of this Appendix
"related expenses"	Has the meaning ascribed to it in paragraph 2.3(d) of this Appendix
"Relevant Period"	The period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed

Appendix III

"Securities Accounts"	Securities accounts maintained by depositors with CDP, but not including securities sub-accounts maintained with a depository agent
"SFC"	The Securities and Futures Commission of Hong Kong
"SGX-ST"	Singapore Exchange Securities Trading Limited
"SGX-ST Listing Manual"	The Listing Manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
"Share Purchase Mandate"	The mandate to be given by Shareholders to authorise the Director on behalf of the Company to purchase or otherwise acquire its issued Shares as referred to in this Appendix and in accordance with the rules and regulations set forth in the Companies Act and the SGX-ST Listing Manual
"Shareholders"	Registered holders of Shares, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the depositors whose Securities Accounts maintained with CDP are credited with the Shares
"Shares"	Ordinary shares in the capital of the Company
"Singapore Take-over Code"	The Singapore Code on Take-overs and Mergers, as amended from time to time
"Substantial Shareholder"	In relation to the Company, a person who has an interest in not less than 5% of the issued voting shares of the Company
"$" and "cents"	Singapore dollars and cents respectively
"%"	Percentage or per centum

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa.* Words importing the masculine gender shall, where applicable, include the feminine and neuter genders, and *vice versa*. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it in the Companies Act or any statutory modification thereof, as the case may be.

Summaries of the provisions of any laws and regulations (including the Singapore Take-over Code, the SGX-ST Listing Manual and the HKEx Listing Rules) contained in this Appendix are of such laws and regulations (including the Singapore Take-over Code, the SGX-ST Listing Manual and the HKEx Listing Rules) as at the Latest Practicable Date.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables or figures in this Appendix between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

1.1 **AGM.** We refer to (a) the Notice of AGM convening the AGM; and (b) the Ordinary Resolution No. 8C under the heading "Special Business" set out in the Notice of AGM.

1.2 **This Appendix.** The purpose of this Appendix is to provide Shareholders with information relating to the proposed adoption of the Share Purchase Mandate at the AGM.

2. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

2.1 **Background.** The adoption of the Share Purchase Mandate will be tabled as Ordinary Resolution No. 8C for Shareholders' approval at the AGM.

As part of the Company's secondary listing on the HKEx in October 2011, the SFC has ruled that the Company is not regarded as a "public company in Hong Kong" for the purposes of Section 4.1 of the HK Codes. As a result, the HK Codes, including the provisions relating to share repurchases, do not apply to the Company. The Company has also obtained from the HKEx certain waivers relating to share repurchases under the HKEx Listing Rules, in particular, Rules 10.05, 10.06(2)(a), 10.06(2)(e), 10.06(4)(a), 10.06(5), 13.23(2), 13.25A(2)(a)(vii) and 13.31(1), subject to such conditions as further described under the section titled "Waivers" in the HK Listing Document and as described in the following paragraph. The Share Purchase Mandate will primarily be regulated under the Companies Act, the Singapore Take-over Code and the SGX-ST Listing Manual.

The HKEx granted the waiver of Rule 10.06(5) of the HKEx Listing Rules on the conditions that the Company:

(i) is primary listed on the SGX-ST and secondary listed on the HKEx and will apply to the HKEx for the relisting of any such treasury shares which are reissued under Rule 19.43(2) of the HKEx Listing Rules;

(ii) comply with the relevant provisions of the HKEx Listing Rules applicable to treasury shares (subject to applicable statutory and regulatory provisions in Singapore) if it is no longer listed on the SGX-ST;

(iii) will comply with the Companies Act and the SGX-ST Listing Manual regarding the treasury shares and inform the HKEx of any failure to comply or any waiver to be granted in Singapore;

(iv) will inform the HKEx of any change being made to the Singapore regime on treasury shares;

(v) will confirm compliance with the waiver conditions in the Company's annual reports, circulars or other relevant documents to Shareholders seeking approval of the repurchase mandate;

(vi) will comply with the relevant provisions on changes to the Hong Kong regulatory regime and the HKEx Listing Rules regarding treasury shares; and

(vii) will disclose to the public the grant of the waiver setting out relevant details including the circumstances and the conditions imposed.

The Company confirms that it has complied with the conditions imposed by the HKEx stated above.

2.2 **Rationale for the Share Purchase Mandate.** The Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its Shares at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share purchases or acquisitions allow 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 or acquired may be cancelled or may be held as treasury shares. The Company may, *inter alia*, sell the treasury shares for cash or utilise the treasury shares by transferring the treasury shares to employees and other participants for the purposes of or pursuant to its employee share 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.

It should be noted that the Company will only purchase or acquire Shares pursuant to the Share Purchase Mandate when it is of the view that such purchase or acquisition will or will likely be in the interests of the Company. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Company and the Group and/or affect the listing status of the Company on the SGX-ST.

No purchase or acquisition of Shares will be made in circumstances which would have or IS LIKELY TO have a material adverse effect on the financial position of the Company and the Group and/or affect the listing status of the Company on the SGX-ST.

2.3 **Authority and limitations of the Share Purchase Mandate.** The authority and limitations placed on the Share Purchase Mandate are summarised below.

(a) Maximum number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the issued Shares as at the date of the AGM, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the court, as the case may be. Under the Companies Act, any Shares which are held as treasury shares shall be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, no Shares were held as treasury shares.

For illustrative purposes ONLY, on the basis of 3,885,081,827 issued Shares as at the Latest Practicable Date, and assuming that (i) no further Shares are issued on or prior to the AGM, whether pursuant to the vesting of awards ("**Awards**") granted under employee share schemes implemented by the Company or otherwise, and the Company does not reduce its share capital, and (ii) no Shares are held as treasury shares, then not more than 388,508,182 Shares (representing 10% of the issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the Share Purchase Mandate is approved, up to (i) the date (being a date after the AGM) on which the next annual general meeting of the Company is held or required by law to be held; or (ii) the date (being a date after the AGM) on which the authority conferred by the Share Purchase Mandate is revoked or varied; or (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earliest.

(c) ***Manner of purchase or acquisition of Shares***

Purchases or acquisitions of Shares may be made by way of:

(i) market purchases ("**Market Purchases**"); and/or

(ii) off-market purchases ("**Off-Market Purchases**").

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST, the HKEx and/or, as the case may be, such other stock exchange for the time being on which the Shares may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisition of Shares from Shareholders in accordance with Section 76C of the Companies Act. The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the SGX-ST Listing Manual, the HKEx Listing Rules and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

(A) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(B) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(C) the terms of all the offers shall be the same, except that there shall be disregarded:

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) differences in consideration attributable to the fact that the offers may relate to shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the SGX-ST Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain, *inter alia:*

(aa) the terms and conditions of the offer;

(bb) the period and procedures for acceptances;

(cc) the reasons for the proposed Share purchases;

(dd) the consequences, if any, of Share purchases by the Company that will arise under the Singapore Take-over Code or other applicable takeover rules;

(ee) whether the Share purchases, if made, could affect the listing of the Shares on the SGX-ST;

(ff) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(gg) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Purchase price

The purchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses ("**related expenses**")) to be paid for a Share will be determined by the Directors. However, the maximum purchase price (the "**Maximum Price**") to be paid for the Shares as determined by the Directors must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in either case, excluding related expenses. For the above purposes:

"**Average Closing Price**" means:

(aa) in the case of a Market Purchase, the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST, the HKEx or, as the case may be, such other stock exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company; or

(bb) in the case of an Off-Market Purchase, the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST, the HKEx or, as the case may be, such other stock exchange on which the Shares are listed or quoted, whichever is the lowest (and where the Shares are traded in different currencies between the exchanges, as determined by the Company based on the exchange rate quoted by Bloomberg L.P. on the date of the making of the offer pursuant to the Off-Market Purchase), immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

"**date of the making of the offer**" means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of purchased or acquired Shares.** The Company has obtained a waiver of Rule 10.06(5) of the HKEx Listing Rules, which requires shares purchased by an issuer be cancelled automatically. Under current law, the Shares purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to those Shares will expire on cancellation, unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares. The Directors will decide whether the Shares bought back will be held as treasury shares and/or cancelled, depending on the needs of the Company at that time. It is presently intended by the Company that Shares which are purchased or acquired by the Company will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

2.5 **Treasury shares.** As part of the Company's secondary listing on the HKEx, the HKEx has permitted modifications to the HKEx Listing Rules applicable to the Company to allow the rules to operate alongside with treasury shares. Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

(a) Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Singapore Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the SGX-ST Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement, which will also be made on the HKEx, must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST, the HKEx or, as the case may be, such other stock exchange before and after the usage.

2.6 **Source of funds.** In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Articles of Association of the Company and applicable laws. Under the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's capital and/or profits.

The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements, financial flexibility or investment ability of the Group.

2.7 **Financial effects.** The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia,* whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. The Company's total issued share capital will be diminished by the total number of Shares purchased by the Company and which are not held as treasury shares. The net tangible assets of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. The financial effects on the Group and the Company based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2011 are based on the assumptions set out below.

(a) Purchase or acquisition out of capital and/or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

(b) Maximum Price paid for Shares acquired or purchased

Based on 3,885,081,827 issued Shares as at the Latest Practicable Date (none of which are held as treasury shares), the purchase or acquisition by the Company of 10% of such Shares will result in the purchase or acquisition of 388,508,182 Shares.

Assuming that the Company purchases or acquires the 388,508,182 Shares at the Maximum Price, the maximum amount of funds required is approximately:

(i) in the case of Market Purchases of Shares, $606 million based on $1.559 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date); and

(ii) in the case of Off-Market Purchases of Shares, $635 million based on $1.634 for one Share (being the price equivalent to 10% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date).

For illustrative purposes ONLY, on the basis of the assumptions set out above as well as the following:

(A) the Share Purchase Mandate had been effective on 1 January 2011;

(B) there was no issuance of Shares, whether pursuant to the vesting of Awards or otherwise, after the Latest Practicable Date; and

(C) such Share purchases are funded solely by internal resources of the Group,

the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2011 would have been as set out below.

	MARKET PURCHASE				OFF-MARKET PURCHASE			
	COMPANY		GROUP		COMPANY		GROUP	
	Before Share Purchase $ M	After Share Purchase $ M	Before Share Purchase $ M	After Share Purchase $ M	Before Share Purchase $ M	After Share Purchase $ M	Before Share Purchase $ M	After Share Purchase $ M
At 31 December 2011								
Total Equity	4,727	4,121	6,477	5,871	4,727	4,092	6,477	5,842
NTA	4,727	4,121	6,227	5,621	4,727	4,092	6,227	5,592
Current assets	1,664	1,664	1,202	596	1,664	1,664	1,202	567
Current liabilities	279	885	504	504	279	914	504	504
Working capital	1,385	779	699	93	1,385	750	699	64
Net debt	NA	NA	254	860	NA	NA	254	889
No. of issued Shares (in Million)	3,885	3,497	3,885	3,497	3,885	3,497	3,885	3,497
Financial indicators								
NTA per Share ($)	1.22	1.18	1.60	1.61	1.22	1.17	1.60	1.60
Gearing (Net D/E)	NA	NA	0.04	0.15	NA	NA	0.04	0.15
Current ratio (times)	5.97	1.88	2.39	1.18	5.97	1.82	2.38	1.13
Basic EPS (cents)	2.5	2.8	11.7	13.0	2.5	2.8	11.7	13.0

Notes:

(1) *NTA means Net Tangible Assets*
Net D/E means Net Debt-to-Equity
EPS means Earnings Per Share

(2) *The disclosed financial effects remain the same irrespective of whether:*
(a) *the purchase of the Shares is effected out of capital or profits; or*
(b) *the purchased Shares are held in treasury or are cancelled.*

(3) *NTA equals shareholders' funds less non-controlling interest and intangible assets. NTA per Share is calculated based on the number of issued Shares excluding treasury shares.*

(4) *Current ratio equals current assets divided by current liabilities.*

(5) *Net debt equals to external borrowings less cash.*

(6) *Any discrepancies in the tables illustrated above between the listed amounts and financial indicators thereof are due to rounding.*

(7) *Had the financial effects and financial indicators been computed on the assumption either that the share purchases were funded solely by external borrowings or were funded by a combination of internal resources of the Group and external borrowings, the financial effects and financial indicators would have differed from the above illustration.*

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 MAY NOT BE REPRESENTATIVE OF FUTURE PERFORMANCE.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.8 **Taxation.** Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 **Listing status of the Shares.** The SGX-ST Listing Manual requires a listed company to ensure that at least 10% of the total number of its issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed (whether on the SGX-ST or the HKEx), is held by public shareholders at all times. As at the Latest Practicable Date, approximately 34.44% of the issued Shares are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST and/or the HKEx. The Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is a sufficient float for an orderly market in its securities when purchasing its Shares.

2.10 **SGX-ST Listing Rules.** Although the Company has obtained a waiver of Rule 10.06(2)(a) of the HKEx Listing Rules relating to the restriction against an issuer purchasing its shares at a price higher than 5% or more than the average market price for the 5 preceding trading days on which its shares were traded, the Company is similarly restricted under the SGX-ST Listing Manual. The SGX-ST Listing Manual restricts a listed company from purchasing shares by way of market purchases at a price per share which is more than 5% above the "average closing price", being the average of the closing market prices of the shares over the last five Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, as deemed to be adjusted for any corporate action that occurs after the relevant five-day period. The Maximum Price for a Share in relation to Market Purchases referred to in paragraph 2.3 above complies with this requirement. Although the SGX-ST Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 10% above the average closing price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

The Company has obtained a waiver of Rule 10.06(2)(e) of the HKEx Listing Rules, which prohibits an issuer from purchasing its shares during certain periods. While the SGX-ST Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board of Directors of the Company until such price sensitive information has been publicly announced. In particular, in line with the Company's internal guide on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the 30 days immediately preceding, and up to the time of the announcement of, the Company's results for each of the first three quarters of its financial year and during the 60 days immediately preceding, and up to the time of announcement of, the Company's results for the full financial year or, if shorter, the period from the end of the relevant financial year up to the publication date of the results.

2.11 **Reporting requirements.** The SGX-ST Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a market purchase, on the Market Day following the day of purchase or acquisition of any of its shares, and (b) in the case of an off-market purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement (in such form prescribed by the SGX-ST Listing Manual), which will also be made on the HKEx, must include details of the date of the purchase, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares.

In addition, the Directors are required under the Companies Act to lodge with the Registrar of Companies (as appointed under the Companies Act) within 30 days of the purchase of Shares on the SGX-ST the notice of purchase or acquisition in the prescribed form and providing certain particulars including the date of the purchase, the number of Shares purchased, the number of Shares cancelled, the number of shares held as treasury shares, the issued share capital of the Company before and after the purchase, the amount of consideration paid by the Company for the purchase or acquisition of the shares, and whether the shares were purchased or acquired out of the profits or the capital of the Company.

Further to waivers granted by the HKEx of Rules 10.06(4)(a), 13.25A(2)(a)(vii) and 13.31(1) relating to certain publication and disclosure obligations in connection with purchases or acquisitions of its shares, the Company will release any announcements required under Rule 886 of the SGX-ST Listing Manual simultaneously on the HKEx as well as file any share repurchase report required in Singapore as an overseas regulatory announcement in Hong Kong at the same time it is published in Singapore.

2.12 **Take-over implications.** The HK Codes are not applicable to the Company as the Company is not regarded as a "public company in Hong Kong" by the SFC, and take-over implications arise from the operations of the Singapore Take-over Code. Furthermore, the Company has obtained waivers from Rules 10.05 and 13.23(2) relating to the obligations to comply with the HK Codes. Appendix 2 of the Singapore Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Singapore Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Singapore Take-over Code.

(b) Persons acting in concert

Under the Singapore Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Singapore Take-over Code presumes, *inter alia,* the following individuals and companies to be persons acting in concert with each other:

(i) the following companies:

(A) a company ("**(A)**");

(B) the parent company of (A) ("**(B)**");

(C) the subsidiaries of (A) (each, "**(C)**");

(D) the fellow subsidiaries of (A) (each, "**(D)**");

(E) the associated companies of any of (A), (B), (C) or (D) (each, "**(E)**");

(F) companies whose associated companies include any of (A), (B), (C), (D) or (E); and

(G) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and

(ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Singapore Take-over Code.

(c) Effect of Rule 14 and Appendix 2 of the Singapore Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Singapore Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Singapore Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Singapore Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of the Substantial Shareholders in Shares recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Singapore Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate of the maximum limit of 10% of its issued Shares (excluding Shares held in treasury) as at the Latest Practicable Date.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE SINGAPORE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 **Interests of Directors.** The interests of the Directors in issued Shares, as recorded in the Company's Register of Directors' Shareholdings as at the Latest Practicable Date, are set out below.

Directors	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%	Total Interest No. of Shares	%
Mr Liew Mun Leong	456,540	0.0118	–	–	456,540	0.0118
Ms Chua Kheng Yeng Jennie	159,800	0.0041	–	–	159,800	0.0041
Mr Lim Tse Ghow Olivier	888,000	0.0229	–	–	888,000	0.0229
Mr Sunil Tissa Amarasuriya	31,850	0.0008	–	–	31,850	0.0008
Tan Sri Amirsham A Aziz	–	–	–	–	–	–
Dr Loo Choon Yong	783,200	0.0202	–	–	783,200	0.0202
Mrs Arfat Pannir Selvam	60,400	0.0016	–	–	60,400	0.0016
Professor Tan Kong Tam	6,650	0.0002	–	–	6,650	0.0002
Mr Yap Chee Keong	33,250	0.0009	–	–	33,250	0.0009
Mr Lim Beng Chee	251,000	0.0065	–	–	251,000	0.0065

There were 3,885,081,827 issued Shares as at the Latest Practicable Date, none of which were held as treasury shares.

The interests of the Directors in outstanding Awards as at the Latest Practicable Date are set out below.

Directors	Number of Shares comprised in outstanding Awards: CapitaMalls Asia Performance Share Plan	CapitaMalls Asia Restricted Stock Plan
Mr Liew Mun Leong	–	14,540
Ms Chua Kheng Yeng Jennie	–	3,800
Mr Lim Tse Ghow Olivier	–	8,000
Mr Sunil Tissa Amarasuriya	–	6,850
Tan Sri Amirsham A Aziz	–	–
Dr Loo Choon Yong	–	8,200
Mrs Arfat Pannir Selvam	–	6,400
Professor Tan Kong Tam	–	6,650
Mr Yap Chee Keong	–	8,250
Mr Lim Beng Chee	Up to 790,800 Shares[(1)]	74,000 (plus up to 150,000 Shares)[(1)]

Note:
(1) The actual number of Shares to be released will depend on the achievement of pre-determined targets under the CapitaMalls Asia Performance Share Plan and the CapitaMalls Asia Restricted Stock Plan.

3.2 **Interests of Substantial Shareholders.** The interests of the Substantial Shareholders in issued Shares as recorded in the Company's Register of Substantial Shareholders as at the Latest Practicable Date are set out below.

Substantial Shareholders	Direct Interest No. of Shares	Direct Interest %	Deemed Interest No. of Shares	Deemed Interest %	Total Interest No. of Shares	Total Interest %
Temasek Holdings (Private) Limited ("**Temasek**")[(1)(2)]	–	–	2,544,576,975	65.50	2,544,576,975	65.50
CapitaLand Limited ("**CapitaLand**")[(3)(4)]	2,544,020,000	65.48	–	–	2,544,020,000	65.48

Notes:

[(1)] *By virtue of Section 7 of the Companies Act, Temasek is deemed to have an interest in 2,544,576,976 ordinary shares in which Temasek's subsidiaries and associated companies have or deemed to have an interest. Temasek is wholly-owned by the Minister for Finance.*

[(2)] *Based on the information provided by Temasek as at the Latest Practicable Date.*

[(3)] *CapitaLand has a direct interest in 2,544,020,000 ordinary shares in which 48,000,000 ordinary shares are held through HKSCC Nominees Limited.*

[(4)] *Based on the information provided by CapitaLand as at the Latest Practicable Date.*

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion, for the reasons set out in paragraph 2.2 above, that the Share Purchase Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution No. 8C relating to the adoption of the Share Purchase Mandate to be proposed at the AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Appendix in its proper form and context.

This page has been intentionally left blank.

CAPITAMALLS ASIA LIMITED

(Singapore Company Registration Number: 200413169H)
(Incorporated in the Republic of Singapore with limited liability)
(Hong Kong Stock Code: 6813)
(Singapore Stock Code: JS8)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. For Singapore investors who have used their CPF monies to buy CapitaMalls Asia Limited's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR THEIR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Singapore investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Singapore investors who wish to attend the Annual General Meeting as an observer 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 the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

I/We, ______________________________ (Name(s) and NRIC no./Passport no./Company Registration no.)

of ____ (Address)

being a member/members of CapitaMalls Asia Limited ("CMA") 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	%

or, failing whom, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of CMA, to be held at the Stamford Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Friday, 13 April 2012 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/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

No.	Resolutions Relating to:	No. of votes for*	No. of votes against*
	Ordinary Business		
1	Adoption of Directors' Report, Audited Financial Statements and Auditors' Report		
2	Declaration of a Final Dividend		
3	Approval of Directors' Fees		
4(i)	Re-election of Ms Chua Kheng Yeng Jennie as Director		
4(ii)	Re-election of Dr Loo Choon Yong as Director		
4(iii)	Re-election of Mrs Arfat Pannir Selvam as Director		
5	Re-election of Tan Sri Amirsham A Aziz as Director		
6	Re-appointment of Messrs KPMG LLP as Auditors and authorise the Directors to fix the Auditors' remuneration		
7	Any Other Business		
	Special Business		
8A	Authority for Directors to issue shares and to make or grant instruments pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore		
8B	Authority for Directors to grant awards, and to allot and issue shares, pursuant to the CapitaMalls Asia Performance Share Plan and the CapitaMalls Asia Restricted Stock Plan		
8C	Approval of the Share Purchase Mandate to authorise the Directors to purchase or otherwise acquire ordinary shares in the capital of the Company		

* If you wish to exercise all your votes "For" or "Against", please tick [√] within the box provided.

Dated this ____________ day of ______________________ 2012.

	Total no. of shares in	No. of shares
(1)	Depository Register	
(2)	Hong Kong Branch Register of Members	
	Total Aggregate	

____
Signature(s) of Member(s) / Common Seal

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

3rd fold here, glue along the dotted line and fold flap

[Not Applicable for shareholders in Hong Kong]

Affix
postage
stamp

CAPITAMALLS ASIA LIMITED
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

2nd fold here

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to proxy form:

1 Full name(s) and address(es) are to be inserted in BLOCK CAPITALS.
2 A member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote in his/her stead.
3 Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
4 A proxy need not be a member of CMA.
5 A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register as defined in Section 130A of the Companies Act, Cap 50 of Singapore maintained by The Central Depository (Pte) Limited ("CDP") (for Singapore shareholders) or the Hong Kong Branch Register of Members maintained by the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for Hong Kong shareholders), he/she should insert that number of shares accordingly and state the aggregate. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.
6 In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the execution of the votes of the other joint shareholder(s), and for this purpose seniority will be determined by the order in which the name(s) stand on the Depository Register and/or the Hong Kong Branch Register of Members in respect of the relevant joint holding.
7 This proxy form must be lodged/deposited at the office of CMA's Singapore Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders), or at the office of CMA's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong shareholders), not less than 48 hours before the time set for the Annual General Meeting.
8 Completion and return of this proxy form shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, CMA reserves the right to refuse to admit any person or persons appointed under this proxy form, to the Annual General Meeting.
9 This proxy form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where this proxy form 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.
10 Where this proxy form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy thereof must (failing previous registration with CMA) be lodged with the proxy form, failing which this proxy form may be treated as invalid.
11 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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.
12 CMA shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, CMA may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register at least 48 hours before the time appointed for holding the Annual General Meeting, as certified by Depository Register/Hong Kong Branch Share Registrar to CMA.
13 All members will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.
14 A resolution put to the meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting.

1st fold here

Corporate Directory

BOARD OF DIRECTORS
Mr Liew Mun Leong (Chairman)
Ms Chua Kheng Yeng Jennie
Mr Lim Tse Ghow Olivier
Mr Sunil Tissa Amarasuriya
Tan Sri Amirsham A Aziz
Dr Loo Choon Yong
Mrs Arfat Pannir Selvam
Professor Tan Kong Yam
Mr Yap Chee Keong
Mr Lim Beng Chee (CEO)

COMPANY SECRETARY
Ms Kannan Malini

AUDIT COMMITTEE
Mr Yap Chee Keong (Chairman)
Mr Sunil Tissa Amarasuriya
Professor Tan Kong Yam

CORPORATE DISCLOSURE COMMITTEE
Mr Liew Mun Leong (Chairman)
Mr Lim Tse Ghow Olivier
Mrs Arfat Pannir Selvam
Mr Lim Beng Chee

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE
Dr Loo Choon Yong (Chairman)
Mr Liew Mun Leong
Mr Sunil Tissa Amarasuriya

FINANCE AND BUDGET COMMITTEE
Mr Lim Tse Ghow Olivier (Chairman)
Mr Yap Chee Keong
Mr Lim Beng Chee

INVESTMENT COMMITTEE
Mr Liew Mun Leong (Chairman)
Mr Lim Tse Ghow Olivier
Dr Loo Choon Yong
Professor Tan Kong Yam
Mr Lim Beng Chee

NOMINATING COMMITTEE
Dr Loo Choon Yong (Chairman)
Mr Liew Mun Leong
Mrs Arfat Pannir Selvam

REGISTERED OFFICE
39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Telephone: +65 6536 1188
Facsimile: +65 6536 3884

PLACE OF BUSINESS IN HONG KONG
8th Floor Gloucester Tower
The Landmark
15 Queen's Road, Central
Hong Kong
Telephone: +852 3589 8899
Facsimile: +852 3589 8553

SINGAPORE PRINCIPAL SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623
Telephone: +65 6536 5355
Facsimile: +65 6536 1360

HONG KONG SHARE REGISTRAR
Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong
Telephone: +852 2862 8628
Facsimile: +852 2865 0990

COMPLIANCE ADVISER
Anglo Chinese Corporate Finance, Limited
40th Floor Two Exchange Square
8 Connaught Place, Central
Hong Kong
Telephone: +852 2845 4400
Facsimile: +852 2845 1162

AUDITORS
KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Telephone: +65 6213 3388
Facsimile: +65 6225 0984
(Engagement Partner since financial year ended 31 December 2010: Ms Eng Chin Chin)

PRINCIPAL BANKERS
Agricultural Bank of China Limited
Bank of China Limited
China Merchants Bank., Limited
CIMB Bank Berhad
DBS Bank Ltd
Industrial and Commercial Bank of China Limited
Mizuho Corporate Bank, Ltd
Oversea-Chinese Banking Corporation Limited
Public Bank Berhad
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd
United Overseas Bank Limited

CapitaMalls Asia Limited
Company Reg. No.: 200413169H

39 Robinson Road
#18-01 Robinson Point
Singapore 068911

T: +65 6536 1188
F: +65 6536 3884
E: ask_us@capitamallsasia.com

www.capitamallsasia.com

MIX
Paper from responsible sources
FSC™ C021898
FSC www.fsc.org

This Report to Shareholders is printed on Forest Stewardship Council™ – FSC™ certified paper.