CapitaMalls Asia
凯德商用

EXTENDING REACH

SEIZING NEW OPPORTUNITIES

CAPITAMALLS ASIA LIMITED
REPORT TO SHAREHOLDERS 2012

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

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 101 shopping malls across 52 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$31.7 billion and a total GFA of approximately 92.5 million 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; Olinas Mall 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

Financial Performance FY 2012

Profit After Tax & Minority Interests (PATMI)

S$546.0mil

Increased by 19.7%

Revenue Under Management

S$1.8bil

Increased by 20.1%

Total Net Asset Value (NAV)

S$6.5bil

Increased by 4.2%

Total Revenue

S$361.2mil

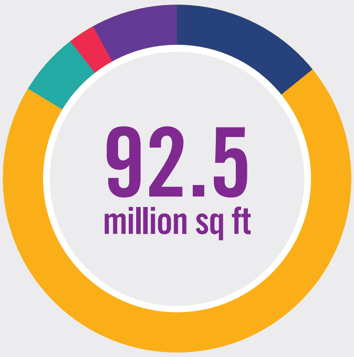
Increased by 46.7%

Note: Compared with FY 2011's previously reported numbers

Highlights of 2012

Overview of CMA's Business

Total GFA (%)



Singapore	14.3
China	70.0
Malaysia	6.0
Japan	2.6
India	7.1

By Property Value (%)

Singapore	46.8
China	44.1
Malaysia	4.7
Japan	3.0
India	1.4

By Number of Malls

Singapore	19
China	59
Malaysia	6
Japan	8
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 & Tenants' Sales Continue to Grow
(% Growth in FY 2012 VS FY 2011)

	Singapore[1]	China[2]	Malaysia[3]	Japan[4]	India
shopper traffic	+0.1%	+7.0%	+1.5%	+9.7%	(15.1%)
tenants' sales	+2.0%	+9.8%	–	+1.1%	(1.5%)

Note: Growth figures are for malls opened before 1 January 2011.

1. Excludes Hougang Plaza, The Atrium@Orchard and Bugis+.
2. Excludes three master leased malls under CRCT. Excludes tenants' sales from supermarkets and department stores.
3. Point of sales system not ready. Excludes Queensbay Mall and East Coast Mall for shopper traffic.
4. For Vivit Minami-Funabashi and Chitose Mall only.

Year in Brief

JAN 2012

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

Broke ground for Westgate, a landmark shopping mall and office tower in Singapore's Jurong Gateway, in partnership with CapitaMall Trust and CapitaLand.

FEB 2012

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

Bugis+ and Junction 8 in Singapore were conferred the BCA Green Mark Platinum Award by the Building and Construction Authority (BCA) of Singapore.

MAR 2012

Conferred the Most Influential Developer in China award by the China Commercial Real Estate Association for the second consecutive year.

Included as a constituent stock in the Hang Seng Global Composite Index and Hang Seng Foreign Companies Composite Index, which serve as benchmarks for global investors for the performances of all Hong Kong-listed companies and Hong Kong-listed foreign companies respectively.

CapitaMall Xizhimen in Beijing, China was conferred China's Most Progressive Mall award by the China Commercial Real Estate Association.

Lot One Shoppers' Mall, Singapore was conferred the BCA Green Mark Gold Award.

APR 2012

Opened JCube in Singapore.

Acquired site for CapitaMall Tiangongyuan, our ninth mall in Beijing, China. Total development cost for the mall is expected to be about RMB2,343.0 million.

Bedok Mall, Singapore was conferred the BCA Green Mark Platinum Award.

Plaza Singapura, Singapore was conferred the BCA Green Mark Gold Award.

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

MAY 2012

Formed joint venture with Sime Darby Property to develop a shopping mall on a freehold site in Taman Melawati in the Klang Valley, Malaysia, for about RM500.0 million. This is our first greenfield development and sixth mall in the country.

Broke ground for largest shopping mall in East China. A joint venture with Suzhou Industrial Park Jinji Lake Urban Development Co., Ltd, this integrated development in Suzhou, China will comprise a seven-storey shopping mall and two Grade A office towers, with a total development cost of about RMB6,740.0 million.

JUN 2012

Established CapitaMalls China Development Fund III (CMCDF III) with a fund size of US$1.0 billion to invest in the development of shopping malls and properties predominantly used for retail purposes in China. This is our largest private equity fund to-date and fourth fund focusing on China.

JUL 2012

Completed enhancement works at Bugis+ in Singapore, which is positioned as the retail and entertainment arm of the neighbouring Bugis Junction.

Opened CapitaMall Taiyanggong in Beijing, China.

Acquired Olinas Mall in Tokyo, Japan for JPY22.8 billion. The mall is part of a large integrated development which also comprises a residential tower and an office tower.

Acquired site for CapitaMall Xinduxin, our first shopping mall in Qingdao, China. Total development cost is expected to be about RMB1,457.0 million.

AUG 2012

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

Luwan integrated development, Shanghai, China was conferred LEED Gold Pre-certification.

SEP 2012

Acquired site for CapitaMall 1818, our third shopping mall in Wuhan, China. Total development cost is expected to be about RMB1,156.0 million.

Broke ground for Raffles City Chongqing, a landmark mixed development in China, in partnership with CapitaLand and Singbridge Holdings.

Opened The Star Vista in Singapore.

Opened CapitaMall Wusheng in Wuhan, China.

Opened CapitaMall Rizhao in Rizhao, China.

Opened CapitaMall Xuefu in Harbin, China.

Opened Raffles City Chengdu in China.

Opened Raffles City Ningbo in China.

Official opening of CapitaMall Crystal in Beijing, China.

Awarded Best Retail Developer in Asia by Euromoney Real Estate Awards 2012.

Awarded Best Retail Developer in China by Euromoney Real Estate Awards 2012.

Awarded Best Retail Developer in Singapore by Euromoney Real Estate Awards 2012.

Conferred the Most Trustworthy Enterprise award by the inaugural China Influence Summit 2012.

Hongkou Plaza, Shanghai and CapitaMall Taiyanggong, Beijing in China received the Regional Shopping Centre Award and Community Shopping Centre Award respectively at the 2012 Commercial Real Estate Expo organised by the Council of Asian Shopping Centres and Mall China.

Sembawang Shopping Centre, Singapore was conferred the BCA Green Mark Gold Award.

OCT 2012

Completed enhancement works to link Plaza Singapura and the retail portion of The Atrium@Orchard in Singapore, to foster a seamless and more vibrant shopping experience for shoppers.

NOV 2012

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

Launch of CAPITASTAR, our card-less rewards programme for shoppers, in China starting with four malls in West China.

Over 20,000 underprivileged children in Singapore, China, Malaysia, Japan and India benefited from a donation of more than S$500,000 worth of school and daily necessities under our signature annual corporate social responsibility programme "My Schoolbag". The donation was made possible with funding from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

The Star Vista, Singapore was conferred the Most Innovative Shopping Centre award at MAPIC Awards 2012.

DEC 2012

Opened CapitaMall Xindicheng in Xi'an, China.

Conferred a Certificate of Excellence at the Investor Relations (IR) Magazine South East Asia Awards 2012.

Bukit Panjang Plaza, Singapore was conferred the BCA Green Mark Gold Award.

East Coast Mall, Kuantan, Malaysia was conferred the BCA Green Mark Gold Award (Provisional).

CapitaMall Taiyanggong, Beijing, China

EXPANDING OUR PRESENCE

59

Malls in 36 cities in China

Letter to Shareholders

LIEW MUN LEONG
Chairman

LIM BENG CHEE
Chief Executive Officer

Dear Shareholders,

CapitaMalls Asia (CMA) delivered strong financial results in 2012, despite the on-going European sovereign debt crisis, the United States fiscal cliff impasse and the slowdown in China's economic growth. We leveraged on our operational expertise and financial strength to reinforce our position as Asia's leading shopping mall developer, owner and manager through acquisitions and openings of new malls, and further improved the performances of our existing malls.

We achieved record profit after tax and minority interests (PATMI) of S$546.0 million, an increase of 19.7% over the S$456.0 million for FY 2011. Our earnings before interest and tax (EBIT) were S$686.3 million, 14.0% higher than the S$601.9 million for FY 2011. Revenue under management was S$1,803.7 million, an increase of 20.1% over the S$1,501.4 million for FY 2011.

Our malls in China grew strongly during the year, recording net property income growth of 16.9%. Retailers performed well in our malls: in Singapore, our tenants' sales went up by 2.0%, while tenants' sales in Japan increased 1.1%. Tenants' sales in China posted the highest increase of 9.8% – driven by tenants' sales in second- and third-tier cities, which grew at an even faster rate of 13.2%.

Delivering on our planned programme that 2012 would be an inflection year for CMA with more than 50.0% of our malls in China by net asset value becoming operational, we opened nine new malls and completed asset enhancements of another two. As at 31 December 2012, we owned and managed 101 malls, of which 81 are operational while the other 20 are under development.

We also continued to plant the seeds for our future growth by acquiring stakes in eight malls in 2012, for a total committed investment of more than S$1.6 billion.

Total assets under management, including the three listed real estate investment trusts (REITs) and six private funds that CMA manages, amounted to around S$23.0 billion as at 31 December 2012. In 2012, the EBIT generated from our management fee business was S$83.9 million.

CMA's share price gained 69.4% in 2012; from S$1.145 (0.72x of our book value) at the beginning of 2012 to S$1.94 (1.16x of our book value) as at 31 December 2012. Including the total dividends of 3.125 cents[1] paid in 2012, shareholders achieved a total return of 72.2%.

Our net tangible assets (NTA) per share have increased by a sustainable 6.3%, including the dividends paid out in 2012.

The Directors are pleased to propose a final dividend of 1.625 cents a share for FY 2012. Including the interim dividend of 1.625 cents we declared in July 2012, the total dividend proposed for full year 2012 is 3.25 cents a share.

We thank you for your support in 2012. Looking ahead to this year, we are encouraged by early signs of a recovery in the global economy, led by China's economy resuming its pattern of higher growth.

On behalf of the Board and management of CMA, we are pleased to share with you our 2012 performance and our plans for 2013.

1. Comprising final dividend of 1.5 Singapore cents for FY 2011 and interim dividend of 1.625 Singapore cents for FY 2012, both paid out in 2012.

PATMI of

S$546.0m

in 2012 compared with S$456.0m in 2011

75%

of our malls by NAV are in operation

EBIT of

S$686.3m

in 2012 compared with S$601.9m in 2011

Letter to Shareholders

Singapore

CMA opened The Star Vista, the first major mall in Buona Vista, in September. This lifestyle mall is strategically connected to the Buona Vista MRT interchange station. It provides a unique experience for our shoppers by being the first naturally ventilated mall in Singapore, and houses a wide range of food and beverage (F&B) and new-to-market concepts.

Together with CapitaMall Trust and CapitaLand, we broke ground for Westgate – an integrated shopping mall and office tower in the heart of Jurong Gateway, Singapore's largest regional centre.

China

We opened seven malls in 2012: CapitaMall Taiyanggong in Beijing, CapitaMall Wusheng in Wuhan, CapitaMall Xuefu in Harbin, CapitaMall Rizhao in Rizhao, CapitaMall Xindicheng in Xi'an, Raffles City Chengdu and Raffles City Ningbo.

We continued to grow our portfolio through three acquisitions. In April, CMA signed a conditional agreement to acquire a site for our first shopping mall in the south of Beijing, to cater to the population in the up-and-coming region. Located in Daxing district, 15 kilometres away from Beijing's upcoming second international airport, CapitaMall Tiangongyuan will be our ninth mall in the city.

CMA also signed an agreement to acquire the retail component of an integrated development in Wuhan, which also includes residential and office components. CapitaMall 1818 will be our third mall in the city.

In addition to entrenching our presence in the cities we are already in, we continue to strategically expand our footprint in China. CMA will be developing our first shopping mall in Qingdao. CapitaMall Xinduxin will be the retail component of Vanke City, a mixed development strategically located in the heart of Qingdao.

We broke ground for our integrated developments at Luwan in Shanghai as well as in Suzhou – which will be the largest shopping mall in East China. Together with CapitaLand and Singbridge Holdings, we also broke ground for Raffles City Chongqing.

As at 31 December 2012, CMA had a total of 59 shopping malls across 36 cities in China, with a total GFA of 64.8 million square feet. Of these, 49 malls are operational.

Malaysia

We formed a 50:50 joint venture with Sime Darby Property to develop a shopping mall in Taman Melawati, an affluent residential district north-east of Kuala Lumpur city centre and part of the Klang Valley. This is our first greenfield development and sixth mall in the country.

Japan

We acquired Olinas Mall in Tokyo – our fourth mall in the city and eighth in the country. The mall is located in Kinshicho, one of the largest commercial areas in eastern Tokyo. It is in close proximity to two train stations, Japan Railway Kinshicho Station and Tokyo Metro Kinshicho Station. Olinas Mall is part of a large integrated development and is connected to a residential tower and an office tower.

We also acquired the remaining 73.71% stakes in three malls – La Park Mizue in Tokyo, Izumiya Hirakata in Osaka and Coop Kobe Nishinomiya-Higashi in Hyogo – from CapitaMalls Japan Fund. The three malls are the fund's best performing assets, and will provide steady income as we continue to grow our presence in the region.

Proactive Capital Management

We continued to strengthen our financial capacity through proactive capital management. At the start of the year, CapitaMalls Asia Treasury Limited (CMATL), a wholly-owned subsidiary of CMA, issued S$400.0 million of 10-year step-up retail bonds. The bonds will pay interest of 3.8% per annum for the first five years and 4.5% per annum for the subsequent five years, if they are not redeemed early. The placement tranche was more than two times subscribed, while the public offer was more than 4.5 times subscribed. To cater to the strong demand, CMATL issued S$250.0 million of 10-year corporate bonds paying 3.7% per annum in August, under the S$2.0 billion Euro-Medium Term Note Programme.

We also established our largest private equity fund to-date and fourth fund on China, CapitaMalls China Development Fund III (CMCDF III). It has a fund size of US$1.0 billion and a fund life of eight years. CMA holds a 50.0% stake in the fund, with the remainder held by institutional investors from Asia and North America. We recycled our capital by injecting three China projects under development – CapitaMall Tianfu and CapitaMall Meilicheng in Chengdu and the Luwan integrated development[2] in Shanghai – into the fund.

We ended the year with a healthy balance sheet and strong liquidity position. Our cash position was approximately S$675.4 million against gross debt of S$2.7 billion, bringing our net debt to equity to around 30.0%. The average debt maturity profile was increased from 3.4 years in 2011 to 5.0 years in 2012. Interest rates have been fixed for close to 79.3% of our debt, with the remainder on floating rates.

With our strong performance and continued access to funds, we are confident that we will be able to grow our business further.

CapitaMall Trust

CMA had a 27.57% effective interest in CapitaMall Trust (CMT) as at 31 December 2012. CMT achieved a distribution per unit (DPU) of 9.46 cents for FY 2012, an increase of 1.0% compared to 9.37 cents for FY 2011.

In April, CMT successfully opened JCube after completing asset enhancement works which had commenced in 2010. JCube is an ultra-hip mall in Jurong East and houses Singapore's only Olympic-size ice rink as well as the first IMAX theatre in the suburbs.

In July, CMT completed its asset enhancement works at Bugis+. The mall is positioned as the retail and entertainment arm of the neighbouring Bugis Junction, which CMT also owns, and both malls are linked by an overhead bridge at Level 2. With the integration of the two malls, Bugis+ and Bugis Junction now form a seamless destination with more than 600,000 square feet of net lettable area – about the size of ION Orchard.

In late October 2012, the new retail space at The Atrium@Orchard was opened, upon the successful completion of asset enhancement works which had taken 21 months. The retail space is now fully integrated with Plaza Singapura. With the integration, the enlarged Plaza Singapura now boasts more than 620,000 square feet of retail space and offers over 300 retail and F&B concepts.

At Clarke Quay, asset enhancement works for Blocks C and E were completed in early January 2013 and the new space has already been fully leased to F&B and entertainment outlets.

To unlock value for its unitholders, CMT sold Hougang Plaza for S$119.1 million as it was not a core asset. The sale was completed in June 2012, with CMT making a net gain of approximately S$84.3 million.

CapitaRetail China Trust

CMA had a 25.08% effective interest in CapitaRetail China Trust (CRCT) as at 31 December 2012. CRCT recorded a DPU of 9.54 cents for FY 2012, an increase of 9.7% over the DPU of 8.70 cents for FY 2011.

CapitaMall Xizhimen, the largest mall in CRCT's portfolio, upgraded its tenant mix and introduced new international fast fashion tenants such as UNIQLO on the higher levels of the mall. In March 2012, the mall was conferred China's Most Progressive Mall award by the China Commercial Real Estate Association, in recognition of its excellent market positioning and healthy occupancy rate.

CRCT started asset enhancement works at CapitaMall Minzhongleyuan to strengthen the mall's competitive advantage. The initial phase of the asset enhancement on Level 1 has been completed and the rest of the works are expected to be completed by 2Q 2014.

In terms of capital management, CRCT established a S$500.0 million Multicurrency Medium Term Note programme in April 2012. In October 2012, CRCT successfully raised about S$86.1 million through a private placement of 57 million new shares. This private placement was upsized from the original offer of S$75.0 million due to strong demand and support from over 30 existing and new investors from Asia, the United States and Europe.

CapitaMalls Malaysia Trust

CMA had a 35.88% effective interest in CapitaMalls Malaysia Trust (CMMT) as at 31 December 2012. CMMT achieved a DPU of 8.44 sen for FY 2012, an increase of 7.2% over the 7.87 sen for FY 2011.

2. Subject to regulatory approval.

Letter to Shareholders

Asset enhancement initiatives continued to be one of the key growth drivers for CMMT in 2012. It embarked on enhancements of all its four malls in 2012 to upgrade their facilities to provide greater comfort and enjoyment to shoppers, with the aim of driving higher tenants' sales at the malls.

CMMT also continued its proactive capital management during the year to strengthen its financial capacity. In June 2012, approval from Securities Commission Malaysia for the establishment of a RM3.0 billion Medium Term Note programme was obtained. Such approval allows CMMT to tap the debt capital markets directly. In December 2012, CMMT MTN Berhad, a wholly-owned subsidiary of CMMT, issued RM300.0 million of four-year notes under this programme.

Customer Engagement

To stay ahead, we continually explore ways to add value to our tenants and shoppers. Our key tenant engagement platform is our Biz+ series programme. Under this programme, we organise regular free seminars to help our tenants do better business when they are in our malls. In 2012, we organised more than 15 Biz+ series seminars, workshops and classes in Singapore, China and Malaysia, covering topics as diverse as customer relationship management in the digital era and visual merchandising.

More than 1,000 retailers, mainly from Singapore and Malaysia, and local tertiary students also gathered in Singapore for the second edition of Retail Global Connexion in November 2012, taking the opportunity to learn from leading retailers who spoke at the forum. On the shopper front, a new tie-up with People's Association in Singapore brought CAPITASTAR, our card-less rewards programme for shoppers, closer to the local community by extending shopping and lifestyle rebates at our malls to more than 1.2 million PAssion Card members.

Developing Human Capital

In CMA, having strong human capital is one of the core foundations for our growth and further expansion.

As at 31 December 2012, we had over 4,100 staff in the five countries in which we operate. In 2012, we strengthened our training across all levels of staff, from technicians and young leaders to senior managers. We organised study visits to Japan, Hong Kong, China, Malaysia and Singapore to encourage staff to learn the best in the trade. New hires were placed on the three-day CMA Immersion Programme to speed up their assimilation into our company. A year after its launch, our online learning platform, iCampus, now offers more than 200 courses in English and Chinese to help staff learn at their own pace and in their home cities.

Consistent with our commitment to value and uplift our staff, we concluded a new round of Employee Engagement Survey in 2012 to gauge staff sentiments and identify areas for improvement. The results were shared with our employees and feedback was encouraged, so that we can develop new initiatives that will make CMA an even better place to work in.

Corporate Social Responsibility

We continued to fulfill the integral roles that our malls play in their communities by giving back to society. More than 20,000 underprivileged children in Singapore, China, Malaysia, Japan and India received over S$500,000 worth of school and daily necessities under our signature annual corporate social responsibility (CSR) programme "My Schoolbag". The donation was made possible with funding from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

In addition to My Schoolbag, our malls across the region held charitable activities in support of various causes throughout the year, such as holding donation drives for the needy, and offering free lessons to poor students in their communities. We are heartened that our employees are undertaking such initiatives, as they underscore the role of our shopping malls as anchors in the communities they serve.

In our effort to raise awareness of global warming, 63 malls across our five markets of Singapore, China, Malaysia, Japan and India took part in Earth Hour 2012, turning off façade and non-essential lights for 10 hours from 8.30 pm on Saturday, 31 March 2012.

In conjunction with Earth Hour 2012, shopping malls in Singapore and China encouraged shoppers to be environmentally-friendly through various activities. These included "Bring Your Own Shopping Bag" and tree-planting campaigns, and a series of performances and exhibitions to promote green efforts. Staff and retailers in Singapore and Malaysia were also encouraged to dress down while air-conditioning temperatures in our malls and offices were turned up slightly on Friday, 30 March 2012, to reduce electricity consumption and greenhouse emissions.

In line with our vision to add value through continual innovation, we implemented the Enhanced Parking Guidance System in some of our malls whereby the red light above a parking space to indicate a car is parked there, is now switched off. This leaves only green lights switched on above available car park spaces. This simple idea by our staff saved about 20,000 kWh of energy a year and reduced carbon dioxide emissions by 11,190 kilogrammes.

Recognising the importance of engaging our stakeholders on our green journey, CMA leveraged on the CapitaLand group-wide Because iCare Awards 2012 to acknowledge 10 retailers, service providers and contractors for their contributions towards our malls' environment, health and safety practices.

Awards & Accolades

In recognition of our operational expertise and growth strategy, CMA won three awards at the prestigious Euromoney Real Estate Awards 2012 – for Best Retail Developer in Asia, Best Retail Developer in China and Best Retail Developer in Singapore.

In addition, The Star Vista in Singapore was conferred the Most Innovative Shopping Centre award at MAPIC Awards 2012. In China, Hongkou Plaza in Shanghai and CapitaMall Taiyanggong in Beijing received the Regional Shopping Centre Award and Community Shopping Centre Award respectively at the 2012 Commercial Real Estate Expo organised by the Council of Asian Shopping Centres and Mall China.

Our commitment to sustainable development and operations and protecting the environment was also rewarded with nine green awards in 2012. These comprised three Building and Construction Authority (BCA) Green Mark Platinum awards – the highest accolade for green building certification in Singapore – for Junction 8, Bugis+ and Bedok Mall; four Green Mark Gold awards for Bukit Panjang Plaza, Lot One Shoppers' Mall, Plaza Singapura and Sembawang Shopping Centre; one Green Mark Gold (Provisional) award for East Coast Mall in Kuantan; and one LEED Gold Pre-certification for our Luwan integrated development in Shanghai.

Going Forward

Looking ahead to this year, we are optimistic that the world economy is showing early signs of a recovery, led by China. Singapore's economy is forecast to grow between 1.0% and 3.0% in 2013, and China has maintained its target economic growth of 8.0%. In addition, Malaysia's economic growth is projected to be between 4.5% and 5.5% for the year.

This year, we will continue our growth momentum and target to open six malls – two new malls in Singapore, three in China and one in India. The two new malls in Singapore are Westgate and Bedok Mall, both of which are targeted to be opened by end 2013. The three malls in China are all located in Chengdu – CapitaMall Tianfu, CapitaMall Meilicheng and Phase 2 of CapitaMall Jinniu, which is one-and-a-half times the size of the original mall. In India, we plan to open our mall in Mangalore.

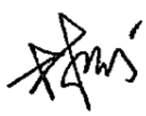
We look forward to creating further value for our shareholders and customers in the year ahead.

Acknowledgements

It gives us great pleasure to welcome Mr Lim Ming Yan, who joined the Board of Directors on 25 October 2012, and Mr Ng Kee Choe and Mr Bob Tan Beng Hai, who joined the Board of Directors on 1 March 2013. With their extensive experience, we are confident that they will be able to contribute significantly to the Board.

We would also 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.

Liew Mun Leong
Chairman



Lim Beng Chee
Chief Executive Officer

1 March 2013

致股东函件

尊敬的各位股东：

尽管欧洲主权债务危机尚未平息、美国“财务悬崖”陷入僵局以及中国经济发展放缓，凯德商用于2012年仍取得强劲的财务业绩。我们充分利用我们的营运实力及财务优势，通过收购及开设新购物中心及进一步加强我们现有购物中心的表现，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5.460亿新元，较2011年财政年度的4.560亿新元增加19.7%。我们的息税前利润为6.863亿新元，较2011年财政年度的6.019亿新元增加14.0%。年内管理收入为18.037亿新元，较2011年财政年度的15.014亿新元增加20.1%。

我们在中国的购物中心于年内继续录得强劲增长，净物业收入上升16.9%。我们购物中心的零售商继续取得良好的表现：新加坡的租户销售额增加2.0%，而日本的租户销售额增加1.1%。中国的租户销售额增幅最高，为9.8%，主要是由二线及三线城市高达13.2%的租户销售额增长所推动。

2012年，我们迈入了新的转捩点，实现了在中国超过50.0%的购物中心（按资产净值计算）投入运营。这一年我们共有九家新购物中心开业，另外两家购物中心完成资产改良计划。截至2012年12月31日，我们拥有并管理101家购物中心，其中81家已投入运营，另有20家正在开发中。

为给今后的发展奠定基础，我们于2012年收购了八家购物中心的股权，总投资金额为16亿新元。

截至2012年12月31日，凯德商用管理的总资产约为230亿新元，当中包括由凯德商用管理的三个上市房地产投资信托基金及六个私募基金。2012年，我们管理费业务的息税前利润为83.9百万新元。

凯德商用的股价于2012年上升69.4%；由2012年初的1.145新元（账面值的0.72倍）上升至2012年12月31日的1.94新元（账面值的1.16倍）。包括2012年支付的3.125新分股息[1]，股东可获得72.2%的总回报。

每股有形资产净值（包括2012年已付股息）持续增加，增幅达6.3%。

董事们建议2012年财政年度期末派发股息每股1.625新分。加上我们于2012年7月宣派的中期股息每股1.625新分后，即拟派2012年全年股息总额每股3.25新分。

我们衷心感谢您于2012年给予我们的支持。展望今年，全球经济在中国经济恢复较快增速的带动下有初步复苏的迹象，这令我们感到鼓舞。

我们谨代表凯德商用董事会及管理层，向您分享我们2012年的业务表现及2013年的计划。

新加坡

星悦汇于9月开业，成为波那维斯达首个大型购物中心。这个着重生活休闲的购物中心策略性地连接波那维斯达地铁转换站，是新加坡第一个采用自然通风换气的购物中心，并提供多样化的餐饮选择以及新登陆市场的概念店，为购物者带来独特的购物体验。

我们联同凯德商用新加坡信托及凯德集团开发的购物中心及办公楼项目西城于2012年开始动工。西城坐落于新加坡最大的区域中心裕廊商业区的黄金地带。

中国

于2012年，我们有七家购物中心开业，分别是北京的凯德MALL•太阳宫、武汉的凯德广场•武胜、哈尔滨的凯德广场•学府、日照的凯德广场•日照、西安的凯德广场•新地城、成都来福士广场及宁波来福士广场。

我们通过三项收购持续扩大我们的资产组合。于4月，凯德商用签订了一份有条件协议以收购一幅土地，用于兴建我们在北京南部的首家购物中心，面向居住在这个快速发展社区的市民。该土地位于大兴区，距离北京将完成兴建的第二个国际机场15公里。凯德MALL•天宫院将成为我们于北京的第九家购物中心。

凯德商用还签订了一份协议以收购武汉一个综合发展项目的零售组成部分，该项目的其他组成部分还包括住宅及办公楼。凯德广场•1818将成为我们于武汉的第三家购物中心。

除了提升在已拥有业务城市的占有率，我们也将继续策略性地扩展我们在中国的版图。凯德商用将于青岛发展其首家购物中心。凯德广场•新都心是综合发展项目万科城的零售组成部分，其地点优越，位于青岛市中心。

1 2012年支付的股息包括2011年财政年每股1.5新分的末期股息和2012年财政年每股1.625新分的中期股息。

我们位于上海卢湾及苏州的两个综合发展项目已开始动工。苏州项目将建成华东区规模最大的购物中心。联同凯德集团及星桥控股开发的重庆来福士也已举行了开工仪式。

截至2012年12月31日，凯德商用于中国36个城市内拥有共59家购物中心，总建筑面积为64.8百万平方尺。其中49家已投入运营。

马来西亚

我们与森达美地产成立各占50.0%权益的合资公司，于Taman Melawati富裕住宅区内开发购物中心。Taman Melawati属于巴生谷区域的一部分，位于吉隆坡市中心东北一带。此项目为我们在马来西亚的首个开发项目及第六家购物中心。

日本

我们收购了东京的Olinas Mall。Olinas Mall为我们于东京的第四家及日本的第八家购物中心。该购物中心位于东京东部最大的商业区之一锦系町，邻近日本铁路锦系町站及东京地铁锦系町站。Olinas Mall是一个大型综合发展项目的组成部分，连接一座住宅楼及一座办公楼。

我们也收购三家购物中心 – 东京的La Park Mizue、大阪的Izumiya Hirakata及兵库的Coop Kobe Nishinomiya-Higashi – 的余下73.71%股权。这三家购物中心为基金中表现最佳的资产，将为我们在日本的持续发展带来稳定收入。

积极的资本管理

我们继续通过积极的资本管理加强我们的财力。年初，凯德商用的全资附属公司CapitaMalls Asia Treasury Limited (CMATL)发行4.0亿新元的10年期息率递增零售债券。在债券没有提前赎回的情况下，首五年按年利率3.8%派息，其后五年按年利率4.5%派息。配售的债券获两倍以上的超额认购，而公开发售的债券则获逾4.5倍的超额认购。为应付庞大的需求，CMATL在8月于20亿新元的欧元中期票据计划下发行2.5亿新元的10年期企业债券，按年利率3.7%派息。

我们也设立凯德商用中国发展基金III，该基金是迄今我们发起的最大私募基金和针对中国业务的第四支基金，基金规模为10亿美元，投资期限为8年。凯德商用拥有该基金50.0%的权益，余下权益由亚洲及北美洲机构投资者持有。我们将中国三个在建项目 – 成都的凯德广场•天府和凯德广场•魅力城及上海的卢湾综合发展项目[2]注入该基金以实现资本循环利用。

于年末，我们的资产负债表及流动资金状况维持稳健。现金结余为约6.754亿新元，总债务为27亿新元，净负债股本比率约30.0%。平均债务到期情况由2011年的3.4年增加至2012年的5.0年。约79.3%的债务以固定利率结算，而余下的债务则以浮动利率结算。

凭借强劲的业务表现及持续获得资金的能力，我们有信心能进一步拓展业务。

凯德商用新加坡信托

截至2012年12月31日，凯德商用拥有凯德商用新加坡信托27.57%的实际权益。凯德商用新加坡信托的2012年财政年度每单位分红为9.46新分，比2011年财政年度每单位分红9.37新分高出1.0%。

裕冰坊顺利完成于2010年启动的资产改良计划，于2012年4月份开业。裕冰坊位于裕廊东，被定位为一家引领潮流的购物中心，里面设有新加坡首个奥运标准的溜冰场及市区外首个IMAX影院。

7月份，凯德商用新加坡信托完成旗下白沙浮娱乐广场的资产改良计划。该购物中心作为邻近的白沙浮广场的零售及娱乐业态的扩展，由位于二楼的人行天桥连通。两家购物中心整合后，现已成为无缝连接的购物热点。总净出租面积逾600,000平方尺，约等于ION Orchard的规模。

乌节爱特岭大厦完成为期21个月的资产改良计划后，于2012年10月底开放。新增零售空间与狮城68紧密连接。整合后的狮城68拥有逾620,000平方尺的零售空间，容纳超过300间零售及餐饮店铺。

克拉码头C及E座的资产改良计划已于2013年1月初完成，新增空间已全部出租予餐饮兼娱乐商户。

由于后港大厦并非核心资产，凯德商用新加坡信托以1.191亿新元出售后港大厦，从而为单位持有人创造更高的价值。有关出售于2012年6月完成，为凯德商用新加坡信托带来净收益约84.3百万新元。

2　有待取得监管批准。

致股东函件

凯德商用中国信托

截至2012年12月31日，凯德商用拥有凯德商用中国信托25.08%的实际权益。凯德商用中国信托的2012年财政年度每单位分红为9.54新分，比2011年财政年度每单位分红的8.70新分高出9.7%。

我们为凯德Mall•西直门，凯德商用中国信托资产组合中最大的购物中心，进行租户组合升级，并在其高楼层引入包括UNIQLO等全新国际快速时尚品牌。于2012年3月，该购物中心荣获中国商业地产联盟颁发中国最前进购物中心奖，表扬其优秀市场定位及稳健的出租率。

凯德商用中国信托于新民众乐园展开资产改良计划，以加强其竞争优势。第一阶段已完成一楼的资产改良工程，预期余下工程将于2014年第二季度完成。

在资本管理方面，凯德商用中国信托于2012年4月设立5亿新元多元货币中期票据计划。于2012年10月，凯德商用中国信托透过私下配售5,700万股新股份，成功筹集约86.1百万新元。此配售额原计划只达75百万新元，但因为获得来自亚洲、美国及欧洲超过30名现有及新投资者的大力支持而有所增加。

凯德商用马来西亚信托

截至2012年12月31日，凯德商用拥有凯德商用马来西亚信托35.88%的实际权益。凯德商用马来西亚信托的2012年财政年度每单位分红为8.44分马币，比2011年财政年度每单位分红的7.87分马币高出7.2%。

资产改良计划继续成为凯德商用马来西亚信托的主要增长动力之一。于2012年，其旗下的四家位于马来西亚的购物中心展关资产改良工程，以升级设备，为顾客提供更舒适愉快的购物体验，从而提高购物中心租户的销售额。

年内，凯德商用马来西亚信托继续其积极资本管理的方针，以巩固其财务实力。于2012年6月，凯德商用马来西亚信托全资附属公司CMMT MTN Berhad获得马来西亚证券监督委员会的批准，建立30亿马币的中期票据计划。此举让凯德商用马来西亚信托可直接进入债务融资市场。于2012年12月，CMMT MTN Berhad发行4年期3亿马币的票据。

与顾客的互动

为保持竞争优势，我们不断探寻为租户及购物者增值的方法。我们的主要租户互动平台为商+系列计划。通过该计划，我们定期免费安排研讨会，协助我们的租户在我们的购物中心取得更佳的表现。于2012年，我们在新加坡、中国及马来西亚一共举办了超过15个商+系列研讨会、工作坊及课程，所涵盖的议题广泛，包括数码时代的顾客关系管理以至视觉营销等。

于2012年11月，逾1,000个主要来自新加坡及马来西亚的零售商及当地学生齐聚新加坡，参加第二届国际零售商大会(Retail Global Connexion)，借此机会向于论坛演讲的行业领袖学习。

至于购物者方面，凯德商用与新加坡人民协会合作，于我们的购物中心向超过120万百胜卡(PAssion Card)会员提供购物及生活时尚折扣，令我们的“凯德购物星”无卡式会员奖励计划更贴近当地社区。

发展人力资本

强大的人力资本是凯德商用业务增长及不断扩张的基石。

截至2012年12月31日，我们在五个营运的国家共聘用逾4,100名员工。于2012年，我们加强了从技术人员、新晋主管至高级经理等各阶层员工的培训。我们安排员工前往日本、香港、中国、马来西亚及新加坡观摩学习业内的最佳经验。新聘员工则获安排参与为期三日的融入凯德商用培训课程，以更快地熟悉本公司的文化。在线学习平台iCampus启用一年至今已提供了200多门中英文课程，协助员工根据自己的进度于所在城市学习。

为配合我们重视员工及激励员工士气的方针，我们于2012年进行新一轮员工敬业度调查(Employee Engagement Survey)，以了解员工情绪并发现需要改善的地方。我们与员工分享调查结果并鼓励反馈意见，以协助订立新措施使凯德商用成为一个更佳的工作场所。

企业社会责任

我们通过回馈社会将我们的购物中心与所在社区紧密融合。于2012年，我们的标志性年度大型企业社会责任项目“我的书包”活动为来自新加坡、中国、马来西亚、日本及印度的逾20,000名弱势儿童捐赠了超过50万新元的学习及日用必需品。该善款来自凯德希望基金，凯德集团旗下的慈善机构。

除“我的书包”外，年内我们于各地区的购物中心举行多项公益活动，例如为有需要的人士筹款、向贫困家庭学童进行义务教学等。我们的员工参与这些公益活动回馈社会，突显凯德商用履行服务社区的承诺和决心，令我们深受鼓舞。

为唤醒大众对全球变暖的关注，我们在新加坡、中国、马来西亚、日本及印度的63家购物中心均参与了2012年“地球一小时”活动，在2012年3月31日（星期六）从晚上8点30分起关闭购物中心外墙灯和非主要的照明灯10小时。

除2012年“地球一小时”活动外，我们于新加坡及中国的购物中心举办多项活动以提升购物者的环保意识。活动包括“自备购物袋”、植树活动及一连串表演及展览，以宣扬环保意识。为减低耗电量及温室气体排放，我们鼓励新加坡及马来西亚员工及零售商于2012年3月30日（星期五）穿着轻便装束并稍微调高购物中心及工作间的空调温度。

为配合公司通过不断创新以创造价值的愿景，我们于某些购物中心引进停车引导优化系统(Enhanced Parking Guidance System)，过去用于表示已占用车位的红色灯现已停用，只使用绿色灯显示出未被占用的车位。此简单的构想由我们的员工提出，一年可节省约20,000千瓦小时的能源，并可减少11,190公斤的二氧化碳排放量。

为加强与利益相关者的联系，凯德商用透过凯德集团的Because iCare Awards 2012，表扬10名零售商、服务供应商及承包商对购物中心环境、健康及安全方面作出的贡献。

奖项及荣誉

凯德商用获2012年《欧元杂志》地产大奖所颁发的三个奖项，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，肯定了我们的营运实力和发展策略。

此外，新加坡星悦汇获2012年国际商业地产展览会(MAPIC)颁发的最具创新购物中心奖。中国上海的凯德龙之梦虹口及北京的凯德MALL•太阳宫于亚洲购物中心协会及中购联购物中心发展委员会联合举办的2012商业房地产博览会上分别获得区域购物中心大奖及社区购物中心大奖。

我们在环境保护及可持续发展方面的承诺和努力使我们于2012年荣获九个绿色荣誉。分别是：碧山第8站、白沙浮娱乐广场及勿洛购物中心荣获新加坡建设局三项绿色建筑标志白金奖（新加坡绿色建筑认证的最高殊荣）；武吉班让大厦、第一乐广场、狮城68及三巴旺购物中心荣获四项绿色建筑标志金奖；于关丹的东海岸广场荣获绿色建筑标志金奖（临时认证）；而我们于上海的卢湾综合发展项目则荣获LEED能源及环境设计先锋预认证金奖。

展望

展望今年，环球经济在中国经济增长的带动下，初步出现复苏迹象，因此我们对环球经济增长抱持乐观态度。预测2013年新加坡经济增长介乎1.0%至3.0%之间，而中国维持其经济增长目标8.0%。此外，预期今年马来西亚经济增长介乎4.5%至5.5%之间。

今年我们将继续拓展业务，计划开业六家购物中心，其中两家位于新加坡，三家位于中国，一家位于印度。新加坡两家新购物中心分别是西城及勿洛购物中心，均预计于2013年底前开业。中国三家购物中心均位于成都，分别是凯德广场•天府、凯德广场•魅力城及凯德广场•金牛二期，后者的面积为原有购物中心的一倍半。印度新开业的购物中心位于芒格洛尔。

我们希望能于来年为股东及顾客创造更高的价值。

致谢

我们热烈欢迎林明彦先生于2012年10月25日加盟董事会，以及黄记祖先生和陈明海先生于2013年3月1日加盟董事会。他们拥有广泛的经验，我们有信心他们将能够为董事会作出重大贡献。

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

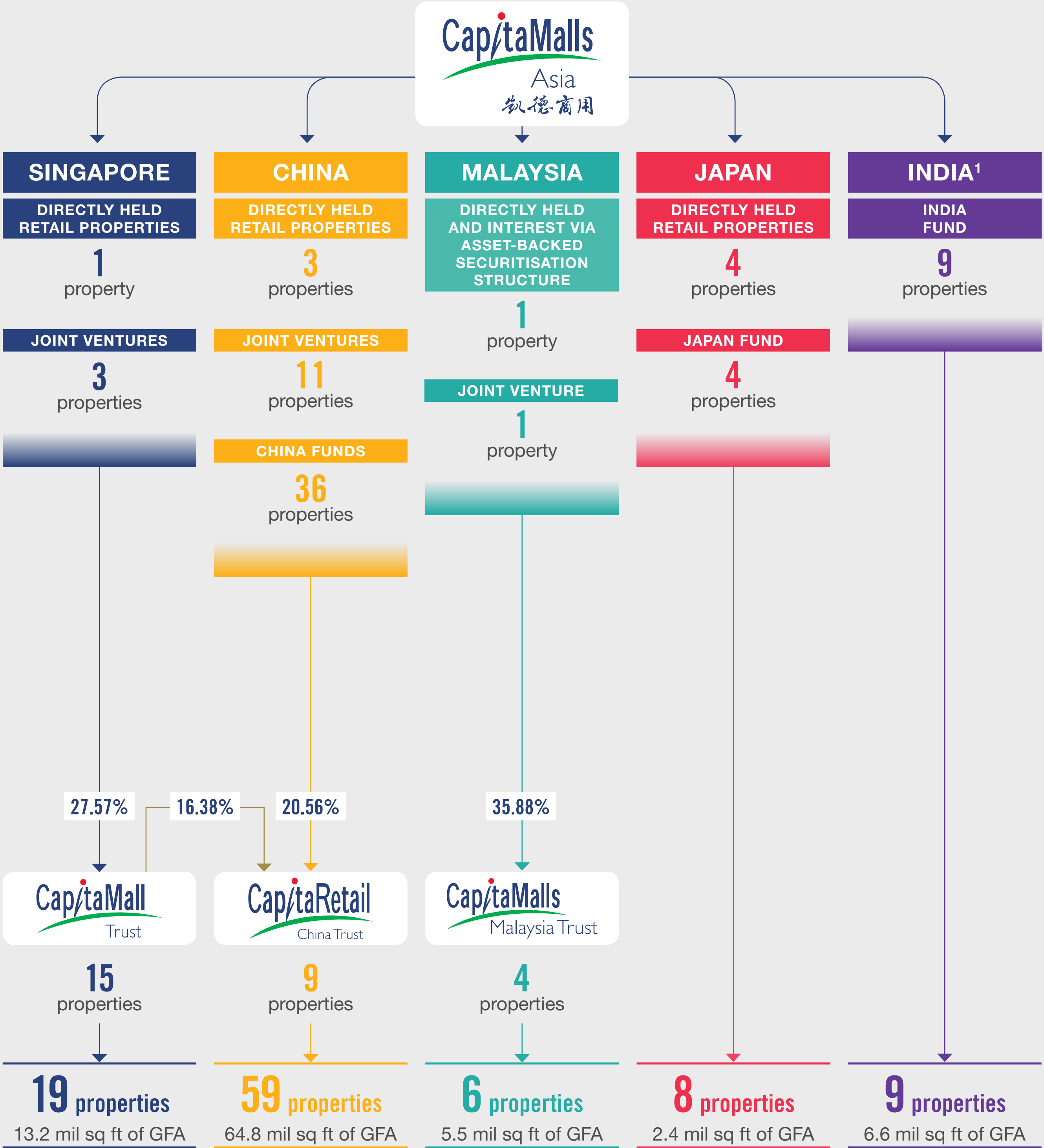
林明志
首席執行官

2013年3月1日

Our Business Structure

Our Property Interests

(For more details, refer to Portfolio Details on page 88.)



Our interests in properties, private real estate funds, CMT, CRCT and CMMT are as at 31 December 2012. The number of retail properties and GFA (which is based on aggregate GFA of each property in its entirety) are as at 31 December 2012.

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

Our Property Interests

CapitaMall Trust

We have an effective 27.57% interest in CapitaMall Trust (CMT) as at 31 December 2012. CMT was listed on 17 July 2002 on Singapore Exchange Securities Trading Limited (SGX-ST) and was the first real estate investment trust (REIT) listed in Singapore. It is also the largest listed REIT in Singapore by asset size (approximately S$9.9 billion) and market capitalisation (approximately S$7.4 billion) as at 31 December 2012. CMT owns and invests mainly in income-producing assets that are used, or predominantly used, for retail purposes primarily in Singapore. As at 31 December 2012, CMT had about 2,700 leases with international and domestic retailers and a committed occupancy rate of approximately 98.2%. CMT owns the following 15 operational retail properties in Singapore: Tampines Mall, Junction 8, Funan DigitaLife Mall, IMM Building, Plaza Singapura, Bugis Junction, Sembawang Shopping Centre, JCube, 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 and Bugis+ (formerly known as Iluma). CMT also has a 30.00% stake in a joint venture to develop the Westgate mixed-use project on a prime land parcel at Jurong Gateway. In addition, CMT has an equity interest of approximately 16.38% 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 13 June 2012, CMT completed the sale of Hougang Plaza for a total consideration of S$119.1 million and a net gain of approximately S$84.3 million.

CapitaRetail China Trust

We have an effective 25.08% interest in CapitaRetail China Trust (CRCT) as at 31 December 2012. CRCT was listed on the SGX on 8 December 2006, and was the first and remains the only listed REIT in Singapore focused entirely on shopping malls 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 2012, CRCT's portfolio comprised nine quality shopping malls located in six key cities in China: 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$1.6 billion as at 31 December 2012. We have granted CRCT a right of first refusal to acquire completed income-producing shopping malls located in China subject to certain conditions.

	Number of Properties					
Countries	Completed	Targeted for completion in 2013	Targeted for completion in 2014	Targeted for completion in 2015 and beyond	Total	GFA (million sq ft)
Singapore	17	2	–	–	19	13.2
China	49	2[1]	1	7	59	64.8
Malaysia	5	–	–	1	6	5.5
Japan	8	–	–	–	8	2.4
India	2	1	2	4	9	6.6
Total	**81**	**5**	**3**	**12**	**101**	**92.5**

1. Not including CapitaMall Jinniu Phase 2.

Our Property Interests

CapitaMalls Malaysia Trust

We have an effective 35.88% interest in CapitaMalls Malaysia Trust (CMMT) as at 31 December 2012. CMMT was listed on 16 July 2010 on the Main Market of Bursa Malaysia Securities Berhad, and is Malaysia's only "pure-play" shopping mall REIT with an income- and geographically-diversified portfolio, with a market capitalisation of approximately RM3.2 billion and an asset size of approximately RM3.1 billion as at 31 December 2012. CMMT owns and invests in income-producing assets that are used, or predominantly used, for retail purposes primarily in Malaysia. As at 31 December 2012, 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 1,300 leases with international and domestic retailers and a committed occupancy rate of 98.5%.

With regard to properties situated in Malaysia that we identify for acquisition or that we wish to dispose, we have granted CMMT a right of first refusal to acquire any completed property 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 that 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.

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 2012. We sponsored the establishment of the fund, which was closed on 6 June 2006 with a total fund size 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 in various parts of China. As at 31 December 2012, approximately 97% of the upsized fund had been drawn. The fund is 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 total fund size.

CapitaMalls China Incubator Fund

We have an interest of 30.00% in CapitaMalls China Incubator Fund as at 31 December 2012. We sponsored the establishment of the fund, which was closed on 6 June 2006 with a total fund size 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 2012, the fund was fully drawn. The fund is 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 total fund size.

CapitaMalls China Development Fund II

We have an interest of 45.00% in CapitaMalls China Development Fund II as at 31 December 2012. We sponsored the establishment of the fund, which was closed on 6 September 2007 with a total fund size of S$900.0 million. The fund invests primarily in retail property developments in various parts of China. As at 31 December 2012, the fund was fully drawn. The fund is 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 total fund size.

CapitaMalls China Development Fund III

We sponsored the establishment of CapitaMalls China Development Fund III, which was closed on 30 June 2012 with a total fund size of US$1.0 billion. We have an interest of 50.00% in the fund as at 31 December 2012. The fund invests in the development of shopping malls and properties predominantly used for retail purposes in China. As at 31 December 2012, the fund was over two-thirds committed to projects and about 30% of the fund had been drawn. We have committed to maintain our investment at no less than 30.00% of the total fund size.

Raffles City China Fund

We have an interest of 15.00% in Raffles City China Fund as at 31 December 2012. Raffles City China Fund was formed on 15 July 2008 with a total fund size of US$1.0 billion and subsequently upsized to US$1.2 billion. As at 31 December 2012, approximately 97% of the fund had been drawn. 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 Ningbo and Raffles City Hangzhou.

CapitaMalls Japan Fund Pte. Ltd.

We have an interest of 26.29% in CapitaMalls Japan Fund as at 31 December 2012. We sponsored the establishment of the fund, which was closed on 16 April 2004. At its final closing on 31 March 2005, it had a total fund size of JPY44.1 billion. It was formed to invest in income-producing retail investment properties in Japan. As at 31 December 2012, CapitaMalls Japan Fund owns four retail properties, namely Vivit Minami-Funabashi and Narashino Shopping Centre in Greater Tokyo and Ito-Yokado Eniwa and Chitose Mall in Hokkaido. The fund's investment period has expired.

On 20 February 2012, we acquired from CapitaMalls Japan Fund the remaining 73.71% stakes in three properties, namely La Park Mizue in Tokyo, Izumiya Hirakata in Osaka and Coop Kobe Nishinomiya-Higashi in Hyogo, for a consideration of JPY13.2 billion (approximately S$217.4 million) on a 100% basis.

CapitaMalls India Development Fund

We have an interest of 45.45% in CapitaMalls India Development Fund as at 31 December 2012. We sponsored the establishment of the fund, which was closed on 22 November 2007 with a total fund size of S$880.0 million. As at 31 December 2012, about 51% of the fund had been drawn. CapitaMalls India Development 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. We have committed to maintain our investment at no less than 40.00% of the total fund size.

Horizon Realty Fund

We have a 21.43% interest in Horizon Realty Fund as at 31 December 2012. The fund was established to invest in retail properties in India. As at 31 December 2012, the fund had a total fund size 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.

ION Orchard, Singapore

LEVERAGING ON OUR STRENGTHS

9

Malls opened in Singapore and China

Board of Directors

Liew Mun Leong, 66

Chairman[1]
Non-Executive Director[1]

Bachelor of Engineering (Civil), University of Singapore
Registered Professional Engineer

Date of first appointment as a director: 18 October 2004
Date of last re-election as a director: 12 April 2010
Length of service as a director (as at 31 December 2012): 8 years 2 months

Board committee(s) served on

Corporate Disclosure Committee (Chairman)
Executive Resource and Compensation Committee (Member)
Investment Committee (Chairman)
Nominating Committee (Member)

Present directorships

LISTED COMPANIES
CapitaLand Limited
Singapore Exchange Limited

OTHERS
CapitaLand Hope Foundation
Changi Airport Group (Singapore) Pte. Ltd. (Chairman)
China Club Investment Pte Ltd (Chairman)
Human Capital Leadership Institute
Singapore-China Foundation Ltd.
Surbana Corporation Pte. Ltd.

Principal commitments (other than directorships)

Centre for Liveable Cities (Member, Advisory Board)
Chinese Development Assistance Council (Member, Board of Trustees)
National University of Singapore (Member, Management Advisory Board at NUS Business School)

Directorships in other listed companies held over the preceding three years

Ascott Residence Trust Management Limited (manager of Ascott Residence Trust) (Deputy Chairman)
CapitaCommercial Trust Management Limited (manager of CapitaCommercial Trust) (Deputy Chairman)
CapitaMall Trust Management Limited (manager of CapitaMall Trust) (Deputy Chairman)
CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust) (Deputy Chairman)

Background and working experience

CapitaLand Limited (President & Chief Executive Officer from January 1997 to December 2012)
Various leadership positions in the public sector (22 years) and in the private sector (20 years)

Award(s)

Institute of Public Relations of Singapore 2012 Outstanding PR Champion Award
Fortune Magazine 2011 Top 25 most powerful businesspeople in Asia
FinanceAsia 2011 Best CEO in Singapore
Meritorious Service Medal (2011)
Asiamoney 2008 The Asia's Best Executive (2008) (Singapore)
Institutional Investor 2008 Best CEO in Asia (Property)
Singapore Corporate Awards 2007 CEO of the Year
Singapore Business Awards 2006 Outstanding CEO of the Year
Public Administration Medal (1979)

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

Ng Kee Choe, 68
Non-Executive Director

Bachelor of Science (Honours), University of Singapore

Date of first appointment as a director: 1 March 2013
Date of next re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2012): N.A.

Board committee(s) served on
Nil

Present directorships
LISTED COMPANIES
CapitaLand Limited (Chairman)
PT Bank Danamon Indonesia, Tbk (President-Commissioner)
Singapore Exchange Limited
SP AusNet (Chairman)[2]

OTHERS
Fullerton Financial Holdings Pte. Ltd.
NTUC Income Insurance Cooperative Limited (Chairman)

Principal commitments (other than directorships)
China Development Bank (Member, International Advisory Council)
Tanah Merah Country Club (Chairman)
Temasek Holdings (Private) Limited (Member, Temasek Advisory Panel)

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

Background and working experience
Vice-Chairman of DBS Group Holdings Ltd ("DBS")
Retired from his executive position with DBS in July 2003 after 33 years of service

Award(s)
Meritorious Service Medal (2012)
Public Service Star (2001)

2. SP AusNet is a stapled group comprising SP Australia Networks (Transmission) Ltd, SP Australia Network (Distribution) Ltd and SP Australia Networks (Finance) Trust, acting through its responsible entity, SP Australia Networks (RE) Ltd. It is dual listed on the Australian Stock Exchange and the Singapore Exchange Securities Trading Limited.

Board of Directors

Lim Ming Yan, 49
Non-Executive Director

Bachelor of Science (Mechanical Engineering and Economics) (First Class Honours), University of Birmingham

Date of first appointment as a director: 25 October 2012
Date of next re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2012): 2 months

Board committee(s) served on
Investment Committee (Member)

Present directorships
LISTED COMPANIES
Ascott Residence Trust Management Limited (manager of Ascott Residence Trust) (Deputy Chairman)
CapitaCommercial Trust Management Limited (manager of CapitaCommercial Trust) (Deputy Chairman)
CapitaLand Limited
CapitaMall Trust Management Limited (manager of CapitaMall Trust) (Deputy Chairman)
CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust) (Deputy Chairman)
Central China Real Estate Limited

OTHERS
Business China
CapitaLand (China) Investment Co., Ltd. (Chairman)
CapitaLand China Holdings Pte Ltd (Chairman)
CapitaLand Commercial Limited (Chairman)
CapitaLand Financial Limited (Chairman)
CapitaLand Hope Foundation
CapitaLand Malaysia Pte. Ltd. (Chairman)
CapitaLand Residential Singapore Pte Ltd (Chairman)
CapitaValue Homes Limited (Chairman)
Central China Real Estate Group (China) Co., Ltd.
Central China Real Estate Holdings Limited
Central China Real Estate Investments Limited
CITIC CapitaLand (Beijing) Management Consulting Co., Ltd
Joy Ascend Holdings Limited
LFIE Holding Limited (Co-Chairman)
Raffles City China Fund Limited (Chairman)
Shanghai YiDian Holding (Group) Company
The Ascott Limited (Chairman)

Principal commitments (other than directorships)
CapitaLand Limited (President & Group Chief Executive Officer)
CTM Property Trust (Chairman, Steering Committee)
National University of Singapore – Institute of Real Estate Studies (Member, Management Board)

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

Background and working experience
CapitaLand Limited (Chief Operating Officer from May 2011 to December 2012)
The Ascott Limited (Chief Executive Officer from July 2009 to February 2012)
CapitaLand China Holdings Pte Ltd (Chief Executive Officer from July 2000 to June 2009)

Award(s)
Singapore Business Awards 2006 Outstanding CEO (Overseas)
Shanghai Municipal Government Magnolia Award (2003 and 2005)

Jennie Chua, 68
Non-Executive Director

Bachelor of Science, School of Hotel Administration, Cornell University

Date of first appointment as a director: 30 October 2009
Date of last re-election as a director: 13 April 2012
Length of service as a director (as at 31 December 2012): 3 years 2 months

Board committee(s) served on
Nil

Present directorships
LISTED COMPANIES
Ascott Residence Trust Management Limited (manager of Ascott Resident Trust)
GuocoLeisure Limited

OTHERS
Alexandra Health Pte. Ltd. (Chairperson)
CapitaLand Hope Foundation
ISS A/S & ISS World Services A/S
MOH Holdings Pte Ltd
Nanyang Technological University
Sentosa Cove Pte Ltd (Chairperson)
Sentosa Development Corporation
Singapore Chinese Girls' School
Singapore International Chamber of Commerce
Temasek Foundation CLG Limited (Deputy Chairperson)
The Old Parliament House Limited (Chairperson)

Principal commitments (other than directorships)
Community Chest of Singapore (Chairperson)
Governing Council of the Institute of Service Excellence (Co-Chairperson)
Ministry of Foreign Affairs (Non-Resident Ambassador to the Slovak Republic)
MOH Holdings Healthcare Infrastructure and Planning Committee (Member)
Prime Minister's Office (Justice of the Peace)
Singapore Film Commission (Chairperson)
Singapore Government (Member of Pro-Enterprise Panel)

Directorships in other listed companies held over the preceding three years
Nil

Background and working experience
CapitaLand Limited (Chief Corporate Officer from July 2009 to July 2012)
The Ascott Group Limited (Chief Executive Officer from August 2007 to July 2009)
CapitaLand Limited (Chief Strategic Relations Officer from February 2007 to July 2007)
Raffles Holdings Limited (President & Chief Executive Officer from April 2003 to January 2007)
Raffles International Limited (Chairman from October 2004 to September 2007, Chairman & Chief Executive Officer from April 2003 to September 2004 and President & Chief Operating Officer from 1999 to March 2003)

Award(s)
Public Service Star (2008)
Public Service Medal (2004)
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)
Bloomberg Business Week Magazine 25 Stars of Asia (2003)
Asia Pacific (Hotel) 2002 Person of the Year
National Productivity Award (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)
Independent Hotelier of the World (1997)
Public Administration Medal (1984)

Board of Directors

Lim Tse Ghow Olivier, 48

Non-Executive Director

Bachelor in Civil Engineering (First Class Honours), Imperial College, London

Date of first appointment as a director: 1 July 2005
Date of last re-election as a director: 21 April 2011
Length of service as a director (as at 31 December 2012): 7 years 6 months

Board committee(s) served on

Corporate Disclosure Committee (Member)
Finance and Budget Committee (Chairman)
Investment Committee (Member)

Present directorships

LISTED COMPANIES

Australand Holdings Limited (Chairman)
Neptune Orient Lines Limited
Raffles Medical Group Ltd

OTHERS

Ascott Serviced Residence (China) Fund Management Pte. Ltd. (Chairman)
Ausprop Holdings Limited
Australand Investments Limited (Chairman)
Australand Property Limited (Chairman)
Austvale Holdings Ltd
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 Malaysia Pte. Ltd.
CapitaLand Residential Limited
CapitaLand Residential Singapore Pte Ltd
CapitaLand Treasury Limited
CapitaValue Homes Limited
Lucid Investments Ltd
Mount Faber Leisure Group Pte. Ltd. (Chairman)
Mubadala CapitaLand Real Estate - LLC
Pulau Indah Ventures Sdn Bhd
Raffles Holdings Limited
RHL Capital Pte. Ltd.
RHL (Management) Pte. Ltd.
Sentosa Development Corporation
Sentosa Leisure Holdings Pte. Ltd.
Surbana Township Development Fund Pte. Ltd.
Surbana Township Development Fund II Pte. Ltd.
The Anglo-Chinese Schools Foundation Limited
The Ascott Limited

Principal commitments (other than directorships)

CapitaLand Limited (Group Deputy Chief Executive Officer)

Directorships in other listed companies held over the preceding three years

CapitaCommercial Trust Management Limited (manager of CapitaCommercial Trust)
CapitaMall Trust Management Limited (manager of CapitaMall Trust)

Background and working experience

CapitaLand Limited (Chief Investment Officer from February 2012 to January 2013, Head of Strategic Corporate Development from August 2011 to February 2012, Group Chief Financial Officer from July 2005 to July 2011, Deputy Group Chief Financial Officer from October 2004 to July 2005 and Senior Vice President, Corporate Finance from September 2003 to October 2004)
Citibank (Head, Real Estate Unit, Corporate & Capital Market Group from February 2001 to September 2003)

Award(s)

Singapore Corporate Awards Chief Financial Officer of the Year (2007)
IR Magazine (South East Asia) Awards Best Investor Relations by a CFO (2009, 2010 and 2011)
IR Magazine (Pan-Asia) Awards Best Investor Relations by a CFO (2011)
The Asset magazine Asian Awards CFO of the Year (2010)

Sunil Tissa Amarasuriya, 64
Independent Non-Executive Director

Diploma in Diamond Grading, Institute of Advanced Training, Koenigstein
Diploma in Gemology, Gemological Institute of Germany in Idar, Oberstein

Date of first appointment as a director: 30 October 2009
Date of last re-election as a director: 21 April 2011
Date of next re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2012): 3 years 2 months

Board committee(s) served on
Audit Committee (Member)
Executive Resource and Compensation Committee (Member)

Present directorships
LISTED COMPANIES
Nil

OTHERS
Amarasuriya Holdings Pte Ltd (Sri Lanka)
Amarasuriya Holdings Pte. Ltd.
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.
LeBrassus Sdn. Bhd.
Murai Investments Limited
Nava 1872 Co. Pte Ltd
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 (Pvt) 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
Zyrex Power Company Limited

Principal commitments (other than directorships)
B.P. de Silva Holdings Pte Ltd (Chairman)

Directorships in other listed companies held over the preceding three years
Nil

Background and working experience
B.P. de Silva Holdings Pte Ltd (Managing Director since December 1982)
The Swatch Group S.E.A. (S) Pte Ltd (Chief Executive Officer from 1995 to 2004)
Audemars Piguet Holding SA (Director since 2007)

Award(s)
Nil

Board of Directors

Tan Sri Amirsham A Aziz, 62

Independent Non-Executive Director

Bachelor of Economics (Honours), The University of Malaya
Certified Public Accountant

Date of first appointment as a director: 18 August 2011
Date of last re-election as a director: 13 April 2012
Length of service as a director (as at 31 December 2012): 1 year 8 months

Board committee(s) served on

Nil

Present directorships

LISTED COMPANIES
CapitaLand Limited
Lingui Developments Berhad

OTHERS
Destination Resorts & Hotels Sdn. Bhd. (Chairman)
Malaysian Investment Development Authority (Chairman)
Petroliam Nasional Berhad
Pulau Indah Ventures Sdn. Bhd.
Samling Global Limited
StarChase Motorsports Limited
Themed Attractions & Resorts Sdn. Bhd. (Chairman)

Principal commitments (other than directorships)

Nil

Directorships in other listed companies held over the preceding three years

Nil

Background and working experience

Malaysian National Economic Advisory Council (Chairman from June 2009 to May 2011)
Malaysian Prime Minister's Department (Minister, heading the Economic Planning Unit and Department of Statistics, Malaysia from March 2008 to April 2009)
Malayan Banking Berhad (President & Chief Executive Officer from 1994 to 2008)

Award(s)

International Association of Outsourcing Professionals Global Hall of Fame (2009)
The Asian Bankers Lifetime Achievement Award (2008)

Dr Loo Choon Yong, 64
Independent Non-Executive Director

Diplomate Member, The College of General Practitioners, Singapore
Diploma in Cardiac Medicine, University of London
Bachelor of Medicine and Bachelor of Surgery, University of Singapore
Barrister, Middle Temple
Bachelor of Laws (Honours), University of London

Date of first appointment as a director: 30 October 2009
Date of last re-election as a director: 13 April 2012
Length of service as a director (as at 31 December 2012): 3 years 2 months

Board committee(s) served on
Executive Resource and Compensation Committee (Chairman)
Investment Committee (Member)
Nominating Committee (Chairman)

Present directorships
LISTED COMPANIES
Raffles Medical Group Ltd (Executive Chairman)

OTHERS
Asian Healthcare Capital Management Pte. Ltd.
Asian Medical Foundation Ltd. (Chairman)
Raffles Health Insurance Pte. Ltd. (Chairman)
Raffles Hospital Pte Ltd (Chairman)
Raffles Hospital Properties Pte. Ltd.
Raffles Medical Holdings Pte Ltd (Chairman)
Raffles Medical Properties Pte Ltd (Chairman)
RMG Capital Pte. Ltd.
S & D Holdings Pte. Ltd.
Sentosa Leisure Holdings Pte. Ltd. (Chairman)
Straits Land Pte Ltd (Chairman)
The Esquire Developments Pte. Ltd. (Chairman)

Principal commitments (other than directorships)
Raffles Medical Group Ltd (Co-founder and Executive Chairman)
Jurong Town Corporation (Chairman)
Ministry of Foreign Affairs (Non-Resident Ambassador to the Italian Republic)
Singapore Management University (Member, Board of Trustees and Chairman, Campus Development Advisory Committee)

Directorships in other listed companies held over the preceding three years
Nil

Background and working experience
Casino Regulatory Authority (Member from April 2008 to September 2009)
Singapore Parliament (Nominated Member from January 2005 to April 2006 and from January 2007 to July 2009)
Singapore Government Economic Review Committee (Member from December 2001 to February 2003 and Chairman, Healthcare Services Working Group from December 2001 to February 2003)
National Council Against Drug Abuse (Chairman from January 2007 to December 2008, Vice Chairman from January 2003 to December 2006 and Member from January 1995 to December 2002)
Singapore Anti-Narcotic Association (President from June 1996 to February 2005)

Award(s)
Singapore Corporate Awards 2010 CEO of the Year
Public Service Star (2009)
Distinguished Service Award (2005)
Public Service Medal (2003)

Board of Directors

Arfat Pannir Selvam, 67

Independent Non-Executive Director

Bachelor of Laws (Honours), University of Singapore
Advocate & Solicitor

Date of first appointment as a director: 30 October 2009
Date of last re-election as a director: 13 April 2012
Length of service as a director (as at 31 December 2012): 3 years 2 months

Board committee(s) served on

Corporate Disclosure Committee (Member)
Nominating Committee (Member)

Present directorships

LISTED COMPANIES

CapitaLand Limited

OTHERS

ASA Investment Holdings Pte. Ltd.
Duane Morris & Selvam LLP (Managing Director)
HDFC Asset Management Company (Singapore) Pte. Ltd.
Hope Villages Fund Pte. Ltd.
iGloble Partners Pte Ltd
iGloble Partners (II) Pte. Ltd.
Nasdaq OMX (South East Asia & Pacific) Pte. Ltd.
Priya-Roshni Private Limited
Selvam LLC (Managing Director)
Selvam Corporate Services Pte. Ltd.

Principal commitments (other than directorships)

Breast Cancer Foundation (Vice President)
Law Society of Singapore (Chairman, Management Committee at Pro Bono, Learning and Support Services Office)
Muslim Financial Planning Association (President)
Rahmatan Lil'Alamin Foundation Ltd (Member, Board of Trustees)
Singapore Institute of Directors (Fellow)

Directorships in other listed companies held over the preceding three years

Nil

Background and working experience

Mrs Selvam has over 40 years in legal practice as a corporate finance lawyer. She has been involved in some landmark Singapore M&A transactions.

Award(s)

Nil

Professor Tan Kong Yam, 57

Independent Non-Executive Director

Bachelor in Economics, Princeton University
PhD Degree in Economics, Stanford University

Date of first appointment as a director: 30 October 2009
Date of last re-election as a director: 12 April 2010
Date of next re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2012): 3 years 2 months

Board committee(s) served on

Audit Committee (Member)
Investment Committee (Member)

Present directorships

LISTED COMPANIES
Nil

OTHERS
APS Asset Management Pte Ltd

Principal commitments (other than directorships)

Nanyang Technological University of Singapore (Professor of Economics since 2005)

Directorships in other listed companies held over the preceding three years

Nil

Background and working experience

National University of Singapore (Head of Department of Business Policy at NUS Business School from 1988 to 2005)
World Bank (Senior Economist of Beijing Office from July 2002 to July 2005)
World Bank (Member of expert group on the 11th Five Year Plan in 2004)
Ministry of Trade and Industry (Chief Economist from July 1999 to June 2002)
Singapore Central Provident Fund Board (Member from 1984 to 1996)

Award(s)

Nil

Board of Directors

Yap Chee Keong, 52
Independent Non-Executive Director[3]

Bachelor of Accountancy, National University of Singapore
Fellow, Certified Public Accountants of Australia
Fellow, Institute of Certified Public Accountants of Singapore

Date of first appointment as a director: 30 October 2009
Date of last re-election as a director: 12 April 2010
Length of service as a director (as at 31 December 2012): 3 years 2 months

Board committee(s) served on
Audit Committee (Chairman)
Finance and Budget Committee (Member)

Present directorships
LISTED COMPANIES
Hup Soon Global Corporation Limited
The Straits Trading Company Limited (Executive Director)
Tiger Airways Holdings Limited

OTHERS
Accounting And Corporate Regulatory Authority
Citibank Singapore Limited
CityNet Infrastructure Management Pte Ltd (Chairman)
SPI (Australia) Assets Pty Ltd
The Assembly of Christians of Singapore Ltd
Tiger Airways Australia Pty Limited

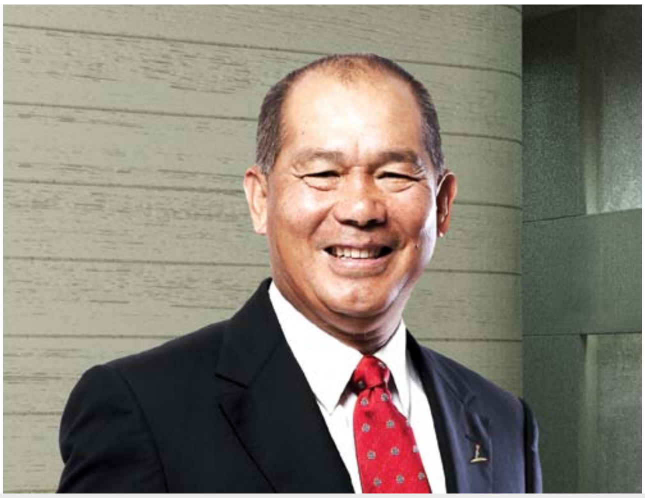
Principal commitments (other than directorships)
Nil

Directorships in other listed companies held over the preceding three years
Nil

Background and working experience
Singapore Power Limited (Chief Financial Officer from September 2002 to January 2009)
25 years of experience in senior management, strategic planning, merger and acquisitions, corporate finance, treasury, financial management and risk management functions in diverse industries.

Award(s)
Nil

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



Bob Tan Beng Hai, 60

Independent Non-Executive Director

Fellow, Institute of Chartered Accountants in England and Wales

Date of first appointment as a director: 1 March 2013
Date of next re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2012): N.A.

Board committee(s) served on

Audit Committee (Member)
Finance and Budget Committee (Member)

Present directorships

LISTED COMPANIES

SMRT Corporation Ltd

OTHERS

Jurong Engineering Limited (Chairman)
Ong Teng Cheong Labour Leadership Institute
SBF Holdings Pte. Ltd.
Singapore LNG Corporation Pte Ltd (Chairman)
SINGEX Venues Pte. Ltd. (Chairman)
SINGEX Exhibitions Pte. Ltd. (Chairman)
SINGEX Exhibition Ventures Pte. Ltd. (Chairman)

Principal commitments (other than directorships)

Charity Council (Member)
Institute of Technical Education (Chairman)
National Wages Council (Member)
NTUC Club Management Council (Member)
Sentosa Golf Club (Member and Captain, General Committee)
Singapore Business Federation (Honorary Treasurer)
Singapore Golf Association (President)
Singapore National Employers Federation (Vice President)
Tripartite Alliance for Fair Employment Practices (Co-Chairman)

Directorships in other listed companies held over the preceding three years

Asia Pacific Breweries Limited

Background and working experience

Novar International Pte Ltd (Managing Director from 2000 to 2005)
Caradon Asia-Pacific Pte Ltd (Managing Director from 1990 to 2000)
MK Electric (Singapore) Pte. Limited (General Manager from 1980 to1990)
MK Electric Ltd (Overseas Operations Accountant in England from 1977 to 1980)
Bowker Orford & Co (Articled Clerk in England from 1972 to 1977)

Award(s)

Public Service Star (2010)
Friend of Labour Award (2000)

Board of Directors

Lim Beng Chee, 45
Chief Executive Officer and Executive Director

Bachelor of Arts in Physics (Honours), University of Oxford
Master of Business Administration (Accountancy), Nanyang Technological University of Singapore

Date of first appointment as a director: 1 November 2008
Date of last re-election as a director: 21 April 2011
Length of service as a director (as at 31 December 2012): 4 years 2 months

Board committee(s) served on
Corporate Disclosure Committee (Member)
Finance and Budget Committee (Member)
Investment Committee (Member)

Present directorships
LISTED COMPANIES
CapitaMalls Malaysia REIT Management Sdn Bhd (manager of CapitaMalls Malaysia Trust)

OTHERS
Albert Complex Pte Ltd
Capita Card Pte. Ltd.
CapitaLand Retail (MY) 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 Two Pte. Ltd.
CapitaMalls Asia Treasury Limited
CapitaMalls Fund Management Pte. Ltd.
CapitaMalls India Fund Management Pte. Ltd.
CapitaMalls Japan Fund Management Pte. Ltd.
CapitaMalls Japan Fund Pte. Ltd.
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.
JG Trustee Pte. Ltd.
JG2 Trustee Pte. Ltd.
One Trustee Pte. Ltd.
Premier Healthcare Services International Pte Ltd
Prized Corridor Sdn. Bhd.
Pyramex Investments Pte Ltd

Principal commitments (other than directorships)
CapitaMalls Asia Limited (Chief Executive Officer)
CTM Property Trust (Member, Steering Committee)

Directorships in other listed companies held over the preceding three years
CapitaMall Trust Management Limited (manager of CapitaMall Trust)
CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust)

Background and working experience
CapitaMall Trust Management Limited (manager of CapitaMall Trust) (Chief Executive Officer from November 2008 to November 2009)
CapitaMalls Asia Limited (Deputy Chief Executive Officer from July 2008 to October 2008)
CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust) (Chief Executive Officer from December 2006 to September 2008)
CapitaMall Trust Management Limited (manager of CapitaMall Trust) (Deputy Chief Executive Officer from March 2005 to December 2006)
CapitaLand Group (various senior positions in investment, asset management and business development from 1999 to February 2005)

Award(s)
Nil

Senior Management

Mr Lim Beng Chee

Chief Executive Officer and Executive Director

Mr Lim Beng Chee, aged 45, 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 36.

Mr Simon Ho Chee Hwee

Deputy Chief Executive Officer

Mr Simon Ho Chee Hwee, aged 51, is our Deputy Chief Executive Officer. Mr Ho has around 25 years of experience in real estate investment and management.

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 in January 2009. He stepped down upon the listing of CapitaMalls Asia on the SGX-ST and assumed the position of Chief Executive Officer of CapitaMall Trust Management Limited from November 2009 to June 2012. He was reappointed as our Deputy Chief Executive Officer in July 2012.

Mr Ho holds a Master of Science (Real Estate) and a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore.

Mr Ng Kok Siong

Chief Financial Officer

Mr Ng Kok Siong, aged 41, 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 Wilson Tan Wee Yan

Chief Executive Officer, CapitaMall Trust Management Limited

Mr Wilson Tan Wee Yan, aged 55, is the Chief Executive Officer of CapitaMall Trust Management Limited. He was Senior Vice President of CapitaMalls Asia Limited before assuming the position of Deputy Chief Executive Officer of CapitaMall Trust Management Limited from February 2012 to June 2012.

Mr Tan has over 25 years of experience in senior appointments in the telecommunication and information technology industries. Mr Tan was previously the Group Chief Executive Officer of Singapore Post Limited. His other experiences prior to joining Singapore Post Limited include 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, education and government-related organisations.

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

Senior Management

Mr Lock Wai Han

Chief Executive Officer, China

Mr Lock Wai Han, aged 45, 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 45, is the Chief Executive Officer of CapitaRetail China Trust Management Limited. Mr Tan has over 20 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 40, 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 56, 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.

Mr Yong 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 48, 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, Malaysia 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 Program at Wharton, University of Pennsylvania, USA.

Mr Kevin Chee Tien Jin

Country Head, India

Mr Kevin Chee Tien Jin, aged 44, 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) from Nanyang Technological University of Singapore.

Mr Kek Chee How

Country Head, Japan

Based in Tokyo, Japan, Mr Kek Chee How, aged 41, 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.

The Star Vista, Singapore

NURTURING GREATER VALUE

6.3%

Increase in NTA (including dividends paid in 2012)

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 (Singapore Code) and, save as otherwise stated, the Corporate Governance Code (Hong Kong Code) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEx) (HKEx Listing Rules). The Singapore Code was revised by the Monetary Authority of Singapore in May 2012 and takes effect in respect of annual reports relating to financial years commencing from 1 November 2012. Nonetheless and in the spirit of our commitment to high standards of corporate governance, our Company has, as far as possible, endeavoured to comply with the revised Singapore Code during FY 2012. 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 the Hong Kong Code while achieving operational excellence and delivering the Group's long term strategic objectives. This report on our corporate governance practices for FY 2012 (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 promote and drive 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 provisions of the Hong Kong Code are set out in this Report as and where applicable. In the event of any conflict between the Singapore Code and the Hong Kong Code, our Company will strive to comply with the more stringent requirement.

(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 long-term success of the company. The Board works with Management to achieve this objective and 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, serve to further the interests of the CapitaMalls Asia 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 Management discharges business leadership and management responsibilities with integrity and enterprise; and
- oversee the proper conduct of the Group's businesses.

The Board regularly deliberates on, among other things, the strategy of the Group, including significant acquisitions and monetisations, approves the annual budget, reviews the performance of the Group's businesses, and approves the release of the quarterly and full-year results after they have been reviewed by the Audit Committee (whose composition and role are described below). The Board also reviewed our Company's corporate governance practices and compliance with the Singapore Code and the Hong Kong Code. The CEO, who is assisted by Management, is responsible for the day-to-day management and overall operation of the Group's businesses.

To assist the Board in the discharge of its oversight function, various Board committees, namely the Audit Committee (AC), Corporate Disclosure Committee (CDC), Executive Resource and Compensation Committee (ERCC), Finance and Budget Committee (FBC), Investment Committee (IC) and Nominating Committee (NC) 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, while approving certain transactions exceeding certain threshold limits, delegates authority for transactions below those limits to Board committees and Management. Such transactions include the following:

- approval of new investments, acquisitions, financing and banking facilities;
- approval of divestments and write-offs of investments;
- approval of specific budgets for capital expenditure for development projects, acquisitions and enhancements / upgrading of properties;
- review of operating budgets; and
- award of contracts for development projects.

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

The IC comprises Mr Liew Mun Leong as the Chairman of the IC, Mr Lim Ming Yan, Mr Lim Tse Ghow Olivier, Dr Loo Choon Yong, Professor Tan Kong Yam and Mr Lim Beng Chee. 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. The Board has also approved the delegation of some of its authority to various management committees within strict limits.

As at 31 December 2012, the Board comprised 11 Directors, of whom ten were Non-Executive Directors. With the appointment of Mr Ng Kee Choe as a Non-Executive Director and Mr Bob Tan Beng Hai as an Independent Non-Executive Director on 1 March 2013, the Board currently consists of 13 Directors, of whom 12 are Non-Executive Directors. The members of the Board comprise business leaders and professionals with academic, banking, financial, governmental, healthcare, legal, real estate and trading backgrounds. Profiles of each of the Directors are found on pages 24 to 36 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 was President and CEO until 31 December 2012. 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 four Board meetings were held in 2012.

A table of the Board members' participation in the various Board committees is set out on page 44 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 general meetings, Board meetings and Board committee meetings during FY 2012 is also set out on page 44 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 or via circulation of Board papers on any relevant changes to legislation and 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 and induction pack setting out his or her duties and obligations. Directors are also briefed and/or 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.

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[1]	–	C	M	–	C	M
Ng Kee Choe[2]	–	–	–	–	–	–
Lim Ming Yan[3]	–	–	–	–	M	–
Jennie Chua	–	–	–	–	–	–
Lim Tse Ghow Olivier	–	M	–	C	M	–
Sunil Tissa Amarasuriya	M	–	M	–	–	–
Tan Sri Amirsham A Aziz	–	–	–	–	–	–
Dr Loo Choon Yong	–	–	C	–	M	C
Arfat Pannir Selvam	–	M	–	–	–	M
Professor Tan Kong Yam	M	–	–	–	M	–
Yap Chee Keong[4]	C	–	–	M	–	–
Bob Tan Beng Hai[5]	M	–	–	M	–	–
Lim Beng Chee	–	M	–	M	M	–

Denotes: C=Chairman M=Member

The following table sets out a summary of the general meetings and the Board and Board committee meetings in 2012.

Attendance Record of General Meetings & Board and Board Committee Meetings								
Board Members	General Meeting	Board	Audit Committee	Corporate Disclosure Committee	Executive Resource and Compensation Committee	Finance and Budget Committee	Investment Committee	Nominating Committee
No. of Meetings Held	1	4	4	–	1	2	–	–
Liew Mun Leong[1]	1	4	–	–	1	–	–	–
Ng Kee Choe[2]	–	–	–	–	–	–	–	–
Lim Ming Yan[3]	–	1	–	–	–	–	–	–
Jennie Chua	1	4	–	–	–	2	–	–
Lim Tse Ghow Olivier	1	4	–	–	–	–	–	–
Sunil Tissa Amarasuriya	1	4	3	–	1	–	–	–
Tan Sri Amirsham A Aziz	1	4	–	–	–	–	–	–
Dr Loo Choon Yong	1	4	–	–	1	–	–	–
Arfat Pannir Selvam	1	4	–	–	–	–	–	–
Professor Tan Kong Yam	1	3	3	–	–	–	–	–
Yap Chee Keong[4]	1	4	4	–	–	2	–	–
Bob Tan Beng Hai[5]	–	–	–	–	–	–	–	–
Lim Beng Chee	1	4	–	–	–	2	–	–

1. Mr Liew Mun Leong will be retiring as Chairman and a Non-Executive Director, and will cease to be Chairman of the CDC and the IC, and a member of the ERCC and the NC, with effect from the conclusion of the Annual General Meeting of our Company to be held on 24 April 2013 (2013 AGM).
2. Mr Ng Kee Choe was appointed as a Non-Executive Director on 1 March 2013. Subject to the approval of shareholders of our Company being obtained at the 2013 AGM for the re-election of Mr Ng Kee Choe pursuant to the Articles of Association of our Company, he will succeed Mr Liew Mun Leong as Chairman of the Board with effect from the conclusion of the 2013 AGM.
3. Mr Lim Ming Yan was appointed as a Non-Executive Director and a member of the IC on 25 October 2012. Subject to the approval of shareholders of our Company being obtained at the 2013 AGM for the re-election of Mr Lim Ming Yan pursuant to the Articles of Association of our Company, he will succeed Mr Liew Mun Leong as Chairman of the CDC and the IC, and will be appointed as a member of the ERCC and the NC, with effect from the conclusion of the 2013 AGM.
4. Mr Yap Chee Keong will be retiring as an Independent Non-Executive Director, and will cease to be Chairman of the AC and a member of the FBC, with effect from the conclusion of the 2013 AGM.
5. Mr Bob Tan Beng Hai was appointed as an Independent Non-Executive Director and a member of the AC and the FBC on 1 March 2013. Subject to the approval of shareholders of our Company being obtained at the 2013 AGM for the re-election of Mr Bob Tan Beng Hai pursuant to the Articles of Association of our Company, he will succeed Mr Yap Chee Keong as Chairman of the AC with effect from the conclusion of the 2013 AGM.

The Directors have, pursuant to Code provision A.6.5 of the Hong Kong Code, participated in continuous professional development during FY 2012 to develop and refresh their knowledge and skills. In particular, the Directors, namely Mr Liew Mun Leong, Mr Lim Ming Yan, Ms Jennie Chua, 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 and Mr Lim Beng Chee, have attended presentations, participated in site-visits and received regular briefings and updates relevant to the Group's businesses and/or to the Directors' duties and responsibilities. Materials on changes to salient laws and regulations applicable to the Group were also provided to the Directors in FY 2012. In addition, the Board was exposed to retail concepts and other aspects of the Group's businesses during the Board's visit to Chongqing and Beijing in September 2012. The Directors are also 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.

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 and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

As at 31 December 2012, the Board comprised 11 Directors, of whom six were Non-Executive Directors who were independent of Management as well as our shareholders who hold 10% or more of the voting shares in our Company:

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
Mr Lim Ming Yan

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

With the appointment of Mr Ng Kee Choe as a Non-Executive Director and Mr Bob Tan Beng Hai as an Independent Non-Executive Director on 1 March 2013, the Board currently consists of 13 Directors, of whom seven are Independent Non-Executive Directors. The Independent Non-Executive Directors are expressly identified as such in all corporate communications issued by our Company pursuant to the HKEx Listing Rules.

The NC has been established to make recommendations to the Board on all Board appointments and assess a Director's independence, taking into account the guidance provided in the Singapore Code and the HKEx Listing Rules for assessing independence. The independence of each Independent Non-Executive Director is reviewed annually by the NC (whose composition and role are described below). Our Company has received written annual confirmation from each Independent Non-Executive Director of his independence pursuant to the requirements of the Singapore Code and Rule 3.13 of the HKEx Listing Rules, and the Board has, taking into account the views of the NC, determined 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 and Mr Bob Tan Beng Hai to be Independent Directors under the Singapore Code and the HKEx Listing Rules.

Tan Sri Amirsham A Aziz has been an Independent Director of our Company since 18 August 2011. He is concurrently an Independent Director of CapitaLand Limited. The Board nonetheless considers Tan Sri Amirsham A Aziz an Independent Director as he is not accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of CapitaLand Limited in relation to the corporate affairs of our Company. The Board is also of the view that Tan Sri Amirsham A Aziz is able to exercise strong independent business judgement with a view to acting in the best interests of our Company. In addition, Tan Sri Amirsham A Aziz 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.

Dr Loo Choon Yong has been an Independent Director of our Company since 30 October 2009. In FY 2012, the CapitaLand Group paid for healthcare insurance and various medical services from companies within the Raffles Medical

Corporate Governance

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 or payable by the CapitaLand Group to the RMG Group in respect of such services for FY 2012 was approximately S$1,633,000, of which the aggregate amount paid or payable by the Group to the RMG Group comprised approximately S$496,000. The Board nonetheless considers Dr Loo an Independent Director as such services were provided by the RMG Group in the ordinary course of business, on an arm's length basis and based on normal commercial terms. The Board is also of the view that Dr Loo is able to exercise strong independent business judgement with a view to acting in the best interests of our Company.

Mrs Arfat Pannir Selvam has been an Independent Director of our Company since 30 October 2009. Mrs Selvam is also presently the Managing Director of Selvam LLC, a corporate finance law practice which had previously provided consultancy services to certain companies in the CapitaLand Group. No payments were made by the CapitaLand Group to Selvam LLC in respect of such services for FY 2012. Such services were previously provided by Selvam LLC in the ordinary course of business, on an arm's length basis and based on normal commercial terms. Mrs Selvam is concurrently an Independent Director of CapitaLand Limited but she is not accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of CapitaLand Limited in relation to the corporate affairs of our Company. The Board is also of the view that Mrs Selvam is able to exercise strong independent business judgement with a view to acting in the best interests of our Company. For the reasons above, the Board considers Mrs Selvam an Independent Director. 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 had previously provided advisory and consultancy services to CapitaLand Limited. These advisory and consultancy services provided to CapitaLand Limited related only to macro-economic issues, and did not relate specifically to the principal businesses of our Group or the CapitaLand Group. No payments were made by the CapitaLand Group to Professor Tan Kong Yam in respect of such services for FY 2012. Such services were previously provided by Professor Tan in the ordinary course of business, on an arm's length basis and based on normal commercial terms. The Board is also of the view that Professor Tan is able to exercise strong independent business judgement with a view to acting in the best interests of our Company. For the reasons above, the Board considers Professor Tan an Independent Director.

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 between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent 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 of 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 immediate family members. There are no financial, business, family and/or other material relationships between Board members.

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 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 the Hong Kong Code are complied with.

Board Membership

Principle 4:

There should be a formal and transparent process for the appointment and re-appointment of 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 of the NC, Mr Liew Mun Leong and Mrs Arfat Pannir Selvam. The majority of the NC members, including the Chairman of the NC, are Independent Non-Executive Directors. In performing its role, the NC is guided by its Terms of Reference which set out its responsibilities and are aligned with requirements under both the Singapore Code and the Hong Kong Code.

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

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement our Company's strategy;
- to identify individuals suitably qualified to be Board members, and review and recommend candidates to the Board for appointments on our Company's Board and Board committees;
- to assess the independence of Independent Non-Executive Directors;
- to review and make recommendations for re-appointment, re-election or renewal of appointment of Directors, and succession planning for the Directors, in particular the Chairman and the CEO; and
- to review and recommend candidates to be our Company's nominees on Boards and Board committees 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 also guided by the following principles:

- the Board should comprise Directors with a broad range of commercial experience; and
- the Board should comprise such proportion of Independent Directors as is required under the Singapore Code and the Hong Kong Code.

The selection of candidates is evaluated taking into account various factors including the current and mid-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 2012, the NC performed the duties as required under its Terms of Reference. In particular, the NC had carried out the annual assessment of the independence of the Independent Directors and made recommendations to the Board in relation to the formal evaluation of the effectiveness of the Board and its Board committees for FY 2012. It had also recommended to the Board the nomination of Mr Lim Ming Yan, who was appointed as a Non-Executive Director of our Company on 25 October 2012.

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.

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 our Directors (prioritised by length of service since previous re-election or appointment) retire and subject themselves to re-election by shareholders at every AGM (one-third rotation rule). 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 Companies Act, Chapter 50 of Singapore (Singapore Companies Act) to seek re-appointment at each AGM.

Corporate Governance

Board Performance

Principle 5:

There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees 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.

An 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. In our opinion, the limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors. A Director with multiple directorships is expected to ensure that sufficient attention is given to the affairs of the Group. We believe that each individual Director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a Director of our Company, bearing in mind his other commitments. In considering the nomination of Directors for appointment or re-election, the NC will take into account, amongst others, the competing time commitments faced by Directors with multiple Board memberships.

To enhance the long-term performance of the Board and its Board committees, the Board has, through the NC, initiated a process to evaluate the effectiveness of the Board and its Board committees in respect of FY 2012. An independent external consultant, AON Hewitt Singapore Pte. Ltd. (AON), has been engaged to facilitate the evaluation process[1]. As part of this process, the Directors and Management will be requested to complete appraisal forms to assess the overall effectiveness of the Board and its Board committees. Based on the results of the appraisal exercise, the NC may make recommendations to the Board to enhance the effectiveness of the Board and its Board committees.

Access to Information

Principle 6:

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board is provided with timely, complete, adequate and reliable information (including the agenda and relevant documents) to enable them to make informed decisions 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 the 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 Management including 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 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.

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 Management, in order to have unfettered access to any information that it may require.

1. The controlling shareholder of our Company, CapitaLand Limited, has also engaged AON as its consultant for the evaluation of its Board and Board committees for FY 2012. Save as disclosed in this Report, AON does not have any other connection with our Company or any Director.

(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 and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9:

Every company should provide clear disclosure of its remuneration policies, 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 remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, 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 of the ERCC, 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 of the ERCC, are independent.

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

- to review, determine and approve the remuneration packages of Executive Director(s) and key executives;
- to make recommendations to the Board on the remuneration for Non-Executive Directors;
- to make recommendations to the Board on compensation policies and structure for Non-Executive Directors and key executives;
- to approve salary reviews, bonus and incentives for key executives;
- to approve share incentive plans and share awards for executives;
- to approve key appointments and review succession plans for key positions;
- to oversee the development of key executives and younger talented executives; and
- to review and monitor the training and continuous professional development of Directors and key executives.

The ERCC aims to build capable and committed management teams through competitive compensation, focused management and progressive policies which are aligned with the long-term interests and risk policies of the Group, and 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.

In FY 2012, 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 for FY 2012 and made recommendations to the Board on the remuneration for Non-Executive Directors for FY 2011. One ERCC meeting was held in 2012.

The CEO as an Executive Director does not receive Director's fees from the Company. 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.

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 and additional fees for attendance and serving on Board committees. Details of the breakdown are found in the Other Information section. 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. A significant proportion of executives' remuneration is linked to company and individual performance in the form of bonuses and share incentive plans, which are conditional upon meeting certain performance targets. These performance targets as determined by the ERCC are set at achievable yet stretched levels each year to motivate key executives to achieve a high degree of business performance, while striking a balance between both short term and long term quantifiable objectives.

We have disclosed the names and remuneration of our Directors and the top five key executives (who are not Directors) on pages 200 to 204. There were no employees who were immediate family members of a Director or the CEO, and whose remuneration exceeded S$50,000, during FY 2012.

A separate Remuneration Report is not prepared as most of the information is found in the Other Information section. Details of the employee share schemes are given in the Directors' Report on pages 104 to 108.

Carrots Consulting Pte Ltd (Carrots Consulting) was engaged by the Company as a remuneration consultant for FY 2012. The principal consultant providing such services was Mr Johan Grundlingh[2].

(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 provides the Board with management accounts and such explanation and information on a monthly basis and if any Director so requests, to enable the Directors to keep abreast, and make a balanced and informed assessment, 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 2012. The Directors are responsible for overseeing the preparation of the 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.

2. Carrots Consulting only provides remuneration consulting services to the Company and its controlling shareholder, CapitaLand Limited, and has no other relationships with the Company.

Audit Committee

Principle 12:

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, including the Chairman of the AC, must be independent.

With the appointment of Mr Bob Tan Beng Hai on 1 March 2013, the AC currently consists of four Directors. Mr Yap Chee Keong, Chairman of the AC, and the other three members, Mr Sunil Tissa Amarasuriya, Professor Tan Kong Yam and Mr Bob Tan Beng Hai, 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 define its scope of authority and are aligned with requirements under both the Singapore Code and the Hong Kong Code. The principal responsibilities of the AC under its Terms of Reference include the following:

- to review the annual audit plan, effectiveness of the audit process, results of audit findings and Management's response;
- to review and monitor the effectiveness of the internal audit function;
- to develop and review our Company's policies and practices on corporate governance;
- to review and monitor our Company's policies and practices on compliance with legal and regulatory requirements; and
- to review the adequacy and effectiveness of internal controls, as well as interested person transactions.

The AC will 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 and parties with dealings with the Group 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 and parties with dealings with the Group may raise improprieties to the AC Chairman in good faith, with the confidence that employees and parties with dealings with the Group making such reports will be treated fairly and be protected from reprisal.

The AC meets with 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 controls, 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 2012 was approximately S$811,000, of which audit fees amounted to approximately S$702,000 and non-audit fees (in relation to tax advisory and other services) amounted to approximately S$109,000.

The AC has been given sufficient resources to enable it to discharge its functions. In FY 2012, the AC performed the duties as required under its Terms of Reference. A total of four AC meetings were held in 2012. In particular, the AC has:

- reviewed and discussed the Group's financial statements and announcements of the quarterly and half year results in 2012 and full year results for 2011;
- reviewed and approved the audit plans submitted by both the internal and external auditors of our Company for 2012;
- 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 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; and
- reviewed interested person transactions for potential conflicts of interest.

Management closely monitors changes to accounting standards and other similar issues which may potentially have an impact on financial statements, and provides the AC with relevant briefings and updates during quarterly AC meetings, at specially convened sessions or via circulation of AC papers.

Corporate Governance

Risk Management and Internal Controls

Principle 11:
The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' investments and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Internal Audit

Principle 13:
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board has overall responsibility for the governance of risk. During FY 2012, the Board conducted a review of the effectiveness of the system of risk management and internal controls, including financial, operational, compliance and information technology controls, 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, compliance and information technology 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. With the appointment of Mr Bob Tan Beng Hai on 1 March 2013, the FBC currently comprises Mr Lim Tse Ghow Olivier as the Chairman of the FBC, Mr Yap Chee Keong, Mr Bob Tan Beng Hai and Mr Lim Beng Chee. The FBC reviews the annual budget and financial policies of the Group. A total of two FBC meetings were held in 2012 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. The AC assists the Board to oversee Management in the formulation, updating and maintenance of an adequate and effective risk management framework while the Board reviews the adequacy and effectiveness of the system of risk management and internal controls.

Our Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks. The risk register is reviewed and updated regularly by the business and corporate heads in the Group and is also reviewed half-yearly by the AC and the Board. The AC will also review the approach taken in identifying and assessing risks and internal controls in the risk register. Internal and external auditors conduct audits that involve testing the effectiveness of the material internal 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 effectiveness of the measures taken by Management in response to the issues noted by the internal and external auditors is also reviewed by the AC. The system of risk management and internal controls is continually being refined by Management, the AC and the Board.

The Board has also received assurance from the CEO and Chief Financial Officer (CFO) of our Company that:

- the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the framework established and the reviews conducted by Management and the internal and external auditors, the Board is of the opinion, with the concurrence of the AC and the assurance from the CEO and the CFO, that the system of risk management and internal controls within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks. The CEO and the CFO have obtained similar assurances from the business and corporate executive heads in the Group.

The system of risk management and internal controls established by our Company provides reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the

Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor 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, 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 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) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14:

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15:

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16:

Companies should encourage greater shareholder participation at general meetings of shareholders, 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 2012 were released on a timely basis, within 38 days of the end of the financial year. Our Company has also formed the CDC comprising Mr Liew Mun Leong as the Chairman of the CDC, Mr Lim Tse Ghow Olivier, Mrs Arfat Pannir Selvam and Mr Lim Beng Chee. The CDC reviews the promptness and comprehensiveness of corporate disclosure issues and key announcements made via SGXNET and the website of 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 effective shareholder participation and voting at general meetings. Apart from receiving the annual report and notice of the AGM and other general meetings (if any), shareholders are also notified through advertisements in the press and announcements issued via SGXNET and the website of the HKEx. At general meetings, shareholders are encouraged to communicate their views and discuss with the Board and Management matters affecting our Company. All Directors (including the respective Chairpersons of the Board, AC, NC and ERCC), and the external auditors, would usually be present at general meetings. 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. Voting at general meetings 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, and the results of the poll will be announced after the general meeting via SGXNET and the website of the HKEx. Minutes of general meetings will be made available to shareholders at their request.

In general, shareholders holding not less than 10% of the paid-up capital of our Company (excluding treasury shares) carrying rights to vote at general meetings may, pursuant to Section 176 of the Singapore Companies Act and the Articles of Association of our Company, requisition the Directors to convene an extraordinary meeting of the Company (EGM). The requisition must state the objects of the EGM, and must be signed by the requisitionists (in one or several documents in like form) and deposited at the registered office of our Company. The Board will convene an EGM by serving a notice of EGM to the shareholders of our Company in accordance with the Singapore Companies Act and the Articles of Association if the requisition is in order. If the Board does not do so within 21 days of the deposit of the requisition, the requisitionists or any of them representing more than one-half of the requisitionists' total voting rights may themselves convene the EGM within three months of the date of such requisition.

Corporate Governance

Alternatively, two or more shareholders holding not less than 10% of the issued shares of our Company (excluding treasury shares) may themselves also convene an EGM pursuant to Section 177 of the Singapore Companies Act.

Shareholders holding not less than 5% of the total voting rights of all shareholders of our Company or 100 shareholders who have each paid up an average sum of not less than S$500 on such shares may requisition the Directors to put forward proposals for consideration at a general meeting of our Company pursuant to Section 183 of the Singapore Companies Act, by submitting a written requisition signed by the requisitionists, to our Company's registered office not less than 6 weeks (if notice of resolution is required), or not less than one week (in the case of any other requisition) before the relevant meeting. The requisition must contain the contact details of the requisitionists and the resolution proposed, accompanied by a statement of not more than 1,000 words on the matter proposed and a reasonable sum to cover our Company's expenses in giving effect to the requisition. Our Company will serve notice of such resolution to the shareholders of our Company and circulate a statement relating to such proposal if the requisition is in order, in accordance with the Singapore Companies Act and the Articles of Association.

As part of our Company's proactive approach to corporate governance, it has adopted a shareholders' communication and investor relations policy to ensure that shareholders and the investment community at large are provided with pertinent and timely information about the Group, to enable shareholders to exercise their rights in an informed manner and to allow shareholders and the investment community to engage actively with our Company. This policy has been approved by the Board and can be accessed on our Company's website under the Investor Relations section. 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 as soon as possible where immediate disclosure is not practicable. To understand the views of shareholders, regular mall visits, road shows, briefings and meetings for analysts and the media are held throughout the year. In 2012, Management met with approximately 700 institutional investors and analysts through group presentations, one-on-one meetings and conference calls. For our half-year and full-year financial results briefings, 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. The public is able to post questions to our Company and the Board on our Company's website through the 'Contact Us' link. Shareholders may also raise any enquiry to our Company and the Board by post to the Investor Relations department of our Company at (in the case of shareholders in Singapore) 39 Robinson Road, #18-01 Robinson Point, Singapore 068911, and (in the case of shareholders in Hong Kong) 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road, Central Hong Kong. In addition, our Company pursues opportunities to keep its retail shareholders informed through the business media, website postings and other publicity channels.

(E) ADDITIONAL INFORMATION

Dealings in Securities

In line with the best practices outlined under the Listing Manual of the SGX-ST, our Company had issued guidelines to Directors and employees in the Group, which set 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 in the Group 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 our Company's securities on short-term considerations.

Code provision A.6.4 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. Pursuant to Code provision A.6.4 of the Hong Kong Code, these existing guidelines to Directors and employees in the Group were updated with effect from 10 February 2012, to ensure a framework which is on terms no less exacting than the required standard set out in the Model Code (Code for Securities Transactions). The Code for Securities Transactions sets out, *inter alia*, prohibitions against dealings in our Company's securities 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).

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 the Code for Securities Transactions for FY 2012, including the requirement that Directors and officers of our Company are not permitted to deal in our Company's securities during the afore-mentioned black out periods, or when they are in possession of any unpublished price sensitive information on our Company.

Code of Business Conduct

Our Company adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle work place harassment and grievances are also in place.

All employees of our Company have each been given a printed employee handbook which sets out these policies clearly.

Our Company believes that the policies it has implemented help to detect and prevent occupational fraud in three main ways.

First, our Company offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit, to its employees which minimise negative financial pressures on them. Our Company also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees face.

Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, our Company seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values. Our Company's zero tolerance stance against all types of fraud is also regularly communicated at staff communication sessions.

Anti-Corruption and Bribery Policy

Our Company adopts a strong stance against corruption and bribery. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of our Company are required to make a declaration on an annual basis where they pledge to uphold its core values and not to indulge in any corrupt or unethical practices. Our Company believes that such an initiative serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings. Our Company's stance against corruption and bribery is frequently reiterated by Management during its regular staff communication sessions as well.

Our Company's zero tolerance policy against corruption and bribery extends to its dealings with third party service providers and vendors. Pursuant to such policy, our Company requires that all agreements with third party service providers and vendors incorporate a robust anti-corruption clause.

Risk Assessment & Management

Risk Management is an integral part of CMA's business culture whether at a strategic level or operational level. Through proactive risk management, which supports CMA's business objectives, value is created and preserved.

The Board of Directors is responsible for the governance of risk. It is assisted by the Audit Committee ("AC") to provide an overview of risk management at the board level. The AC meets on a quarterly basis and the meetings are attended by CMA's CEO as well as other key management staff. The AC is assisted by the Chief Risk Officer (also the Chief Financial Officer) and a team of risk champions on risk management issues.

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

A robust internal control system and an effective independent audit review process are the twin pillars that underpin the Enterprise Risk Management framework, addressing financial, operational, compliance and information technology risks to safeguard shareholders' interests and the Group's assets, and also to manage risks. While the line management is responsible for the design and implementation of effective internal controls using a risk-based approach, the Internal Audit function reviews such design and implementation to provide reasonable assurance to the AC on the adequacy and effectiveness of the internal control system. CMA conducts bi-annual assessment of its risks and control environment. Key risks and their associated controls are consolidated and reviewed at the Group level before they are presented to the AC.

Enterprise Risk Management (ERM) Framework

CMA effectively manages its risk by maintaining a prudent risk profile through a risk analysis framework that seeks to identify, measure and mitigate any key risk where possible. CMA strives to achieve an optimised risk-return relationship and ensure that stakeholders' interests and values are protected.

CMA will continue to review its risk management systems and methodologies so as to proactively manage risks, preserve capital and enhance shareholders' value. CMA's key risk management principle remains its endeavour to optimise risk-reward relationship. The potential key risks include, but are not limited to the following:

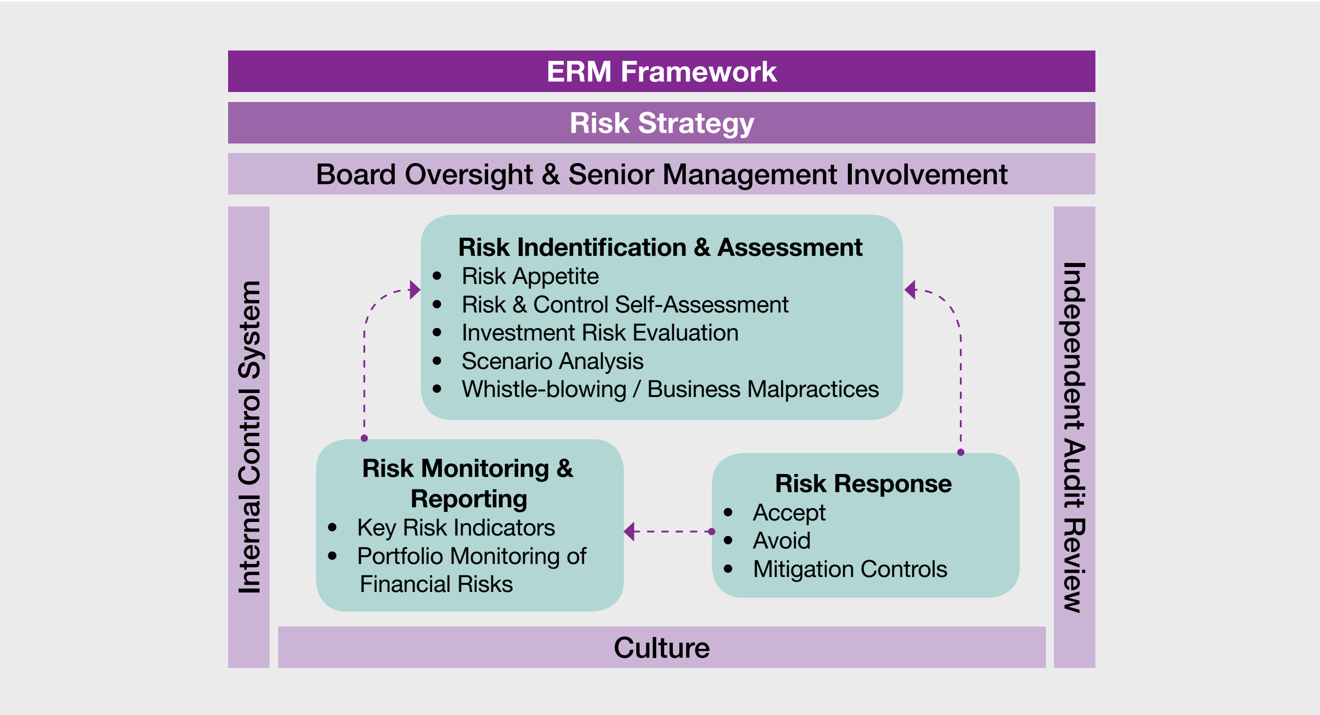
Economic Risk

CMA is exposed to major economies and both the key financial and property markets. This could reduce revenue, increase costs and result in downward revaluation of the assets. Market illiquidity during a financial crisis could make asset divestment challenging. Hence, it could affect CMA's investment and/or strategic objectives.

To manage the risk, CMA adopts a disciplined approach towards financial management through the monitoring of macro-economic environment and trends, as well as their implications on the financial and property markets.

Political and Policy Risk

CMA operates in numerous locations, some of which are prone to experience political risks such as political leadership uncertainty, inconsistency in public policies, social unrest, etc. Such risks could result in the deterioration of the economic or social conditions and affect the financial viability of CMA's investments or even the control of assets in these countries. To mitigate these risks, local operations are run by experienced management teams supported by local teams who are familiar both with the local conditions and culture. Concentration risk in a single country is also avoided through a risk-based country asset allocation system.



Property Risk

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

Investment Risk

At the individual project level, to ensure that all significant risks are identified and quantified, an independent risk evaluation is performed for all individual investment proposals above a stipulated investment value threshold. Risks of each proposal are highlighted and all parameters are benchmarked against objective market comparables and historical projects. Mitigation strategies are then proposed where necessary.

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

Development and Construction Risk

The construction and development of new shopping malls usually takes two to three years to complete, depending on project size and complexity of the development. There is potential risk that such development and construction projects may not be completed within the anticipated time frame and budget. In view of the uncertainty, CMA contains such risk through adequate risk planning which include implementation of mitigating controls after identifying and assessing the threats. There are regular monitoring and reviews with senior management on the progress of these projects to ensure that such risks are mitigated.

Credit Risk

Credit risk is the risk of financial loss to CMA if a customer or counterparty fails to meet its contractual obligations. As a service or product provider in its respective segments of business, CMA has guidelines to govern the process of credit approvals to minimise credit risk. Trade and other receivables relate mainly to CMA's tenants from its retail malls and loans to associates. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

In terms of the credit risk exposure of cash balances CMA holds in banks, this risk is reduced through holding such balances with regional banks or local branches of international banks with sound credit ratings, and monitored on a regular basis to ensure there is no significant exposure to any individual counterparty.

Risk Assessment & Management

Liquidity and Refinancing Risk

CMA actively monitors its debt maturity profile, operating cash flows and the availability of funding so as to ensure sufficient funds are available to meet its capital, refinancing and operating needs. To manage liquidity risk, CMA maintains adequate levels of cash or cash convertible investments to meet its working capital obligations. In addition, CMA maintains available banking facilities at reasonable level to its overall debt position. CMA has access to debt markets, including retail bonds, to raise funds for acquisition, development and refinancing maturing debt. CMA being dual-listed on the Singapore Stock Exchange ("SGX-ST") and the Hong Kong Stock Exchange ("HKEx") provides avenues of financing and allows greater capital management flexibility. Our ability to raise funds from both banks and capital markets has enabled us to diversify our sources of funding to avoid over-reliance on any single source of funding.

Foreign Exchange Risk

Due to the geographic diversity of CMA's business, CMA is exposed to a variety of foreign currencies, including United States Dollar, Chinese Renminbi, Malaysian Ringgit, Japanese Yen and Indian Rupee. CMA 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 minimised. In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risk and 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

Some of CMA's existing debt and borrowings carry floating interest rates, and consequently, the interest cost to CMA for such loans will be subject to fluctuations in interest rates. Interest rate risk exposure relates mainly to these interest-bearing borrowings. As part of CMA's active capital management strategies, it has entered into hedging transactions to partially mitigate the risk of such interest rate fluctuations through the use of interest rate swaps and/or fixed rate borrowings. In addition, the exposure to interest rate risk is further managed through regular reviews with senior management on the optimal mix of fixed and floating rate borrowings. Debt portfolio is reviewed on an on-going basis, 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 fluctuations.

Financial Instruments

Speculative derivative transactions are prohibited by internal policy. While there is a need to balance hedging as a means to manage foreign exchange risk and/or interest rate risk, CMA controls the use of financial instruments by setting internal guidelines on permissible hedging instruments.

Permitted hedging instruments include spot and forward contracts, currency swaps and interest rate swaps. Illiquid hedging instruments are avoided.

Investor Relations

Investor relations is to ensure that the investment community is provided with timely and equal access to balanced and understandable information about CMA (including its strategies, businesses, financial performance, governance and material developments) to enable investors to exercise their rights in an informed manner and to allow the investment community to engage actively with the company.

CMA places high priority on providing timely and accurate disclosure of financial results and announcements to our investors, analysts, the media, stakeholders and the general public. A variety of communication avenues are in place to help facilitate this. Presentation materials and news such as announcements and press releases are promptly posted on CMA's English and Chinese investor relations' websites as well as SGXNET and HKEx-EPS, making information readily available. Additionally, our periodic email updates provide our analysts and investors with direct access to business developments and results. Briefings and live teleconferences are also conducted for both the media and analysts after half-year and full-year results announcements. Our rigorous investor relations programme and efforts to engage our investors were recognised when we were awarded Certificate of Excellence in Investor Relations at the IR Magazine South East Asia Awards 2012.

2012 was a tumultuous year by all measurements, with the breaking out of the European sovereign debt crisis and the leadership transition for two major economies – US and China. Fortunately for most, the major political transitions observed were relatively smooth with no major policy changes. As a whole, the global economy continues to face many uncertainties with the US not returning to its pre-crisis levels of output, the European sovereign debt crisis remaining unresolved due to political gridlocks, and the political unrests stemming from the Middle East and parts of Asia. Asia, as a whole, exhibited sustained economic resilience and attracted investors' attention. Despite the straining economic climate and general volatility, CMA strives to put itself at the forefront by attracting new investors and constantly keeping our existing investors updated with CMA's far-sighted views and plans. We have also continued to increase our debt investor base by launching our 10-year retail bond in January 2012, which generated keen interest from retail investors.

To maintain its strong foothold and to reach out to new investors, CMA has continued to raise awareness and kept in contact with investors via roadshows, conferences, analyst briefings, face-to-face meetings, teleconferences and mall visits. In order to attract and reach out to new investors, CMA has ventured beyond the usual markets such as Singapore, Hong Kong, New York, San Francisco and London to China, Middle East, Tokyo, Amsterdam, Canada, Edinburgh, Switzerland and Germany. During the financial year, we met with close to 700 investors and hosted more than 80 mall visits for investors and analysts in the five countries that we operate in.

Key indices that CMA is included in:

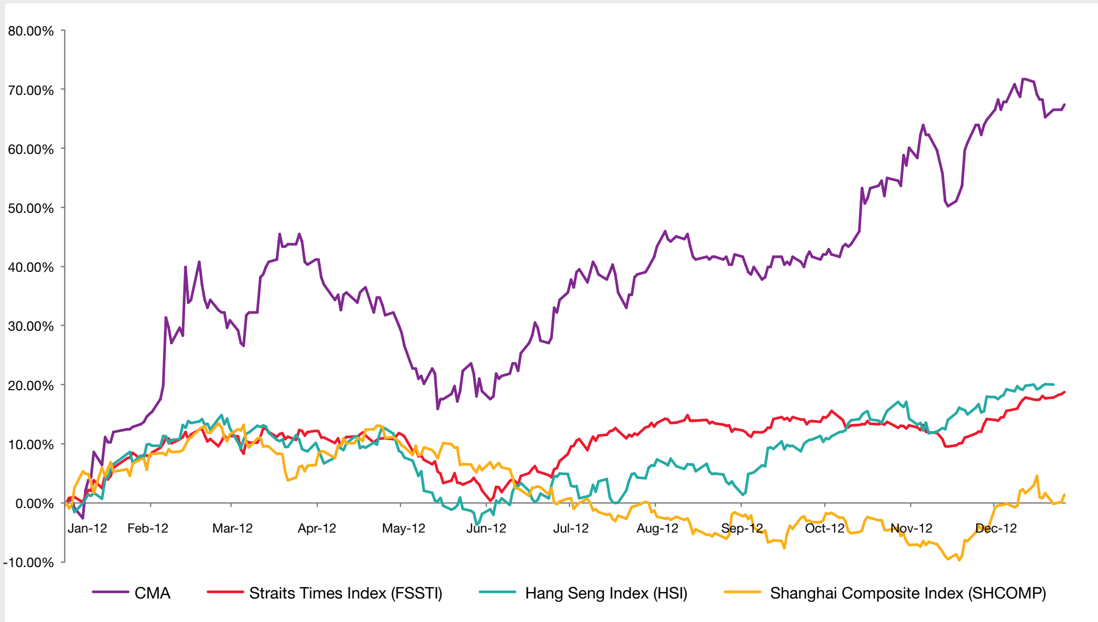
FTSE Asian Property Index
FTSE Developed ex-Multinational Singapore – Real Estate and Investment & Services REITs Index
FTSE EPRA/NAREIT Developed Pure Asia Index
FTSE EPRA/NAREIT Singapore Index
FTSE Global Equity Index Series with Singapore Large Cap Index – Real Estate Holding and Development REITs Index
FTSE TOBAM Developed Asia Pacific ex-Japan
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
Hang Seng Foreign Companies Composite Index
Hang Seng Global Composite Index
MSCI All Country World Index
MSCI All Country Pacific Index
MSCI All Country Far East Index
MSCI All Country Asia Index.
MSCI World Index
MSCI Europe, Australasia, Far East (EAFE) Index
MSCI Pacific Index
MSCI Singapore Index
S&P Asia Pacific BMI
S&P Global BMI
S&P Asia Property 40 Index
S&P Developed BMI Property Ex REIT
S&P Global Intrinsic Value IndexSTI Index
STI Index – Real Estate Holding & Development REITs Index

Investor Relations

IR CALENDAR

Date	Events for CMA	Company
4 Jan	Debt Investor Luncheon	CMA
9 Jan – 10 Jan	Deutsche Bank Access China Conference 2012	Deutsche
10 Feb	CMA FY 2011 Post Results Media & Analysts' Briefing	CMA
13 Feb	CMA FY 2011 Post Results Breakfast with Investors	CMA
21 Feb – 24 Feb	Jefferies Hong Kong Non-Deal Roadshow	Jefferies
2 Mar	CapitaLand Group Debt Investor Day	CapitaLand
4 Mar – 10 Mar	Macquarie Europe & US Non-Deal Roadshow	Macquarie
11 Mar – 14 Mar	Citi 17th Annual Global Property Conference – Florida	Citibank
13 Apr	CMA Annual General Meeting	CMA
25 Apr	CMA 1Q FY 2012 Financial Results	CMA
25 Apr	CMA 1Q FY 2012 Post Results Meeting with Investors	CLSA
10 May – 11 May	Citi Asia Pacific Property Conference 2012 – Singapore	Citigroup
24 May – 25 May	Jefferies & CICC China Non-Deal Roadshow	Jefferies & CICC
29 May	Nomura Tokyo Non-Deal Roadshow	Nomura
13 Jun – 15 Jun	China Conference 2012	JP Morgan
26 Jul	CMA 1H FY 2012 Financial Results	CMA
26 Jul	CMA 1H FY 2012 Post Results Media & Analysts' Briefing	CMA
26 Jul	CMA 1H FY 2012 Post Results Briefing with Investors	Morgan Stanley
2 Aug – 3 Aug	CICC Hong Kong Non-Deal Roadshow	CICC
6 Aug	Debt Investor Luncheon	DBS
13 Aug	Investors' Briefing in Hong Kong	Jefferies & JP Morgan
3 Sep – 4 Sep	ASEAN London Forum	JP Morgan
5 Sep – 7 Sep	BNP Paribas Europe Non-Deal Roadshow	BNP Paribas
10 Sep – 14 Sep	Hong Kong Investors' Forum	CLSA
11 Sep – 18 Sep	Jefferies US & Middle East Non-Deal Roadshow	Jefferies
12 Sep – 13 Sep	BAML Global Real Estate Conference	BAML
25 Oct	CMA 3Q FY 2012 Financial Results	CMA
29 Oct	CMA 3Q FY 2012 Post Results Briefing with Investors	DBS
31 Oct – 4 Nov	Annual Media and Analysts' Trip – Chengdu, Chongqing & Beijing	CapitaLand & CMA
23 Nov	Media and Analysts' Year End Gathering	CapitaLand & CMA

Share Price %



Shareholder Enquiries:
For any enquiries on CMA, please contact:

Ms LENG Tong Yan
Manager, Investor Relations
Tel: (65) 6536 1188
Email: ask_us@capitamallsasia.com

Corporate Social Responsibility

My Schoolbag

As a committed corporate citizen in the communities where our malls operate, CapitaMalls Asia continued to reinforce our corporate social responsibility (CSR) outreach in 2012.

Caring for Society

"My Schoolbag" is CapitaMalls Asia's signature annual CSR programme, under which we donate schoolbags containing school and daily necessities to underprivileged children in the five countries our malls operate in. Under this programme, over 20,000 underprivileged children in Singapore, China, Malaysia, Japan and India benefited from a donation of more than S$500,000 from our company in 2012. The donation was made possible with funding from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

In Singapore, CapitaMalls Asia worked with the Community Development Councils to help 1,000 children from low-income families. Accompanied by some 600 staff and student volunteers, the children were each given a new schoolbag and CapitaVouchers to shop for their daily and school necessities at a CapitaMall located within their districts.

In China, new schoolbags and stationery were given to nearly 19,000 underprivileged children from over 200 schools in 19 provinces and autonomous regions, including students from 14 CapitaLand Hope Schools. We also donated 13,000 books suitable for children from grades one to three to schools. For the first time, more than 100 volunteers from our retailers participated in the programme, alongside 650 staff volunteers. Shoppers also played a part by sending words of encouragement and well wishes to the underprivileged children by signing greeting cards at counters set up within our malls.

We also carried out My Schoolbag in Malaysia, Japan and India, benefiting about 1,000 children in these countries.

In addition to My Schoolbag, CapitaMalls across the region held charitable activities in support of various causes, fulfilling their roles as anchors in the communities they serve. In Singapore, JCube marked its official opening by raising S$15,000 for voluntary welfare organisation Students Care Service to help around 200 students and their families with financial assistance and mentoring programmes. In China, CapitaMall Hongqi in Xinxiang and CapitaMall Nan'an in Yibin collected used clothes and

Corporate Social Responsibility

daily necessities to help the needy in Sichuan Province, while staff volunteers from CapitaMall Rizhao gave free lessons to poor students in Rizhao.

In Japan, Chitose Mall in Hokkaido opened its carpark area for non-profit organisations and nearby residents to sell used items flea market-style; while in India, The Celebration Mall, Udaipur supported a charity drive to collect used clothes for the poor.

Caring for the Environment

In support of the global movement to raise awareness of climate change, 63 of our malls across Singapore, China, Malaysia, Japan and India took part in Earth Hour 2012, turning off façade and non-essential lights for 10 hours from 8.30 pm on Saturday, 31 March 2012.

In the lead up to Earth Hour 2012, our malls held a series of activities to rally shoppers towards the green cause. In Singapore, a “Bring Your Own Shopping Bag” campaign was held to reduce the use of plastic bags. Some highlights in China included “live” unplugged performances at CapitaMall Wangjing in Beijing; a tree-planting campaign at CapitaMall Zibo in Zibo; and an exhibition at four CapitaMalls featuring artworks created out of used disposable chopsticks.

As with last year, CapitaMalls Asia conducted “Wear Less Day” the day before Earth Hour. To reduce electricity consumption and greenhouse emissions, air-conditioning temperatures in our malls and workplaces in Singapore and Malaysia were turned up slightly and staff and retailers were encouraged to dress down.

Throughout the year, CapitaMalls Asia also worked with partners and the community to spread the green message. In Singapore, six malls collaborated with Coca-Cola to encourage shoppers to recycle their beverage bottles. In China, 32 malls conducted talks to educate retailers and shoppers about the importance of environmental conservation and fire safety.

In Malaysia, Eco Lantern Making Contests were held at Gurney Plaza in Penang, The Mines in Selangor and East Coast Mall in Kuantan, providing a platform for the respective communities to unleash their creativity by turning discarded items into eco-friendly lanterns. Over in Japan, staff and retailers from Chitose Mall in Hokkaido planted flowers at the roadside to add more greenery to the environment. In the same spirit, staff planted trees around The Celebration Mall, Udaipur, in India.

Green Innovations and Engagement

In line with the company’s vision to create value through continual innovation, CapitaMalls Asia staff came up with green innovations that helped to improve productivity and reduce resource consumption. An example was the Enhanced Parking Guidance System. CapitaMalls Asia was the first to implement the individual LED cum ultrasonic sensor parking guidance system above parking spaces in shopping malls to indicate availability, whereby a green light signalled an unoccupied parking space and a red light indicated otherwise. To further save energy, the Enhanced Parking Guidance System dispensed with the red light, leaving only the green indicator to signal an empty space. The simple idea saved about 20,000 kwh of energy a year and reduced carbon dioxide emissions by 11,190 kilogrammes.

To recognise and celebrate our staff’s green initiatives, a “green” party was held at Gardens by the Bay in August 2012. Attended by over 400 staff from Singapore, China and Malaysia, the event also served as a platform to reinforce staff’s awareness of environmental issues.

As part of its stakeholder engagement efforts, CapitaMalls Asia leveraged on the CapitaLand group-wide Because iCare Awards 2012 to acknowledge 10 retailers, service providers and contractors for their contributions towards our shopping malls’ environment, health and safety practices. McDonald’s in JCube, Singapore was recognised for its green shop-front design, while service providers and consultants COEN Design International and Nature Landscapes were lauded for their contributions towards the CapitaLand Hope Foundation “Garden of Hope” project at Jamiyah Children’s Home. Special mentions also went to retailers NTUC Fairprice, Giant and Starbucks, as well as contractors G-Energy Global, Integrated Property Management, Exceltec and ISS Facility for their support in helping CapitaMalls Asia to meet its green objectives.

Green Accolades

In 2012, CapitaMalls Asia garnered nine green accolades, bringing its green awards tally as at end 2012 to 31. Following the company's first Green Mark Platinum Award conferred by the Building and Construction Authority (BCA) on JCube in 2011, three Singapore malls achieved the same distinction in 2012. The highest accolade for green building certification in the country was accorded to Junction 8, Bugis+ and Bedok Mall, in recognition of their green features, design and engineering safety and construction excellence.

A favourite with shoppers since it opened in 1993, Junction 8 achieved the Green Mark Platinum Award on the strength of its highly-efficient chiller system, energy-saving lights in the common areas, and parking guidance system to help drivers find their parking spaces quickly thus reducing carbon emissions, among other features.

Similarly, Bugis+, which resumed full operations in July 2012 after asset enhancements, has an efficient chilled and condenser water system and energy-saving lights. All water fittings in the mall's public restrooms are rated the highest "3 ticks" under the Water Efficiency Labelling Scheme.

Likewise, Bedok Mall, which will open in end-2013, adopts the best operational practices for energy and water efficiency, helping to minimise the mall's environmental footprint. One highlight is the use of solar photovoltaic glass on canopies of the public walkway to generate electricity thus reducing consumption from the national power grid.

Bugis+, Singapore

Corporate Social Responsibility

Artist's Impression – Luwan integrated development, Shanghai, China

Summary of CapitaMalls Asia's green accolades in 2012:

Development	Country	Rating Achieved	Highlights
Junction 8	Singapore	Green Mark Platinum	
Bugis+	Singapore	Green Mark Platinum	
Bedok Mall	Singapore	Green Mark Platinum	
Lot One Shoppers' Mall	Singapore	Green Mark Gold	Renewed its Green Mark Certification from Certified to Gold Award
Plaza Singapura	Singapore	Green Mark Gold	Renewed its Green Mark Gold Certification
Sembawang Shopping Centre	Singapore	Green Mark Gold	Renewed its Green Mark Gold Certification
Bukit Panjang Plaza	Singapore	Green Mark Gold	Renewed its Green Mark Certification from Certified to Gold Award
East Coast Mall	Kuantan, Malaysia	Green Mark Gold (Provisional)	
Luwan integrated development	Shanghai, China	LEED Gold Pre-certification	

People & Talent Management

In CMA, we recognise that people are our greatest asset and they contribute to the success of the organisation. We are committed to shape our people with an integrated human capital strategy.

Talent Management

As our business grows, we actively seek talents to meet the resourcing challenges in Singapore and overseas. To strengthen our management bench strength, talents are recruited at different transition points in their career paths, from fresh graduates to young, mid-career professionals and industry veterans.

We leverage on our regional presence as a platform for cross fertilisation where employees gain exposure by rotating to different malls, functions, cities or countries as part of their career development.

Competitive Compensation and Benefits

CMA provides a fair and competitive remuneration package which includes short-term cash bonuses and long-term equity-based reward plans such as restricted shares for key managers. Regular salary benchmarking exercises are conducted to ensure we continue to attract and retain talents.

Training & Development Opportunities

Committed to being a learning organisation, we provide a variety of learning and development opportunities for staff to gain relevant skills and knowledge to achieve business excellence. Apart from classroom training, staff can learn at their own pace and own time via our online learning platform iCampus, which carries more than 200 courses in English and Chinese. Staff are also sent on overseas study visits to learn from other mall operators, gain exposure and network with industry players. For new hires, we make every effort to help them integrate and ease into our culture and system. As part of their orientation, new hires can gain easy access to company information, policies and processes on their first day at work on iCampus. During their first 3 months, they will be invited to attend a 3-day CMA Immersion Programme where they will gain deeper insights into our management philosophy, core values, business strategies and operations. It is also an opportunity for the new hires to network and interact with colleagues from other departments/malls.

For members of the Senior Management team, we partner with CapitaLand Institute of Management and Business (CLIMB) to provide leadership and management programmes to sharpen their management, leadership and business skills.

Active Staff Engagement

As part of our concerted efforts to engage our staff, we organise regular recreational and team-building events to foster cohesiveness. Regular staff communication sessions by senior management are also conducted to keep staff abreast of our financial results and strategic business thrusts.

Care for Our People

In CMA, we value and care for 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 Crystal, Beijing, China

SEIZING NEW OPPORTUNITIES

S$1.6bil
of acquisitions

Singapore

"With the completion of the AEIs at Junction 8 and IMM Building as well as the opening of the retail component of Westgate and Bedok Mall in 2013, we will continue to provide our shoppers with improved shopping experience and new retail offerings."


The Star Vista, Singapore

Total number of retail properties[1]
(including 2 under development)

19

Total GFA
(sq ft)

13.2mil

Total operational NLA[2]
(sq ft)

6.0mil

Total property value[3]
(100% basis)

S$14.8bil

NPI yield[4]

5.5%

Occupancy rate[5]

98.6%

In Singapore, we have 17 completed malls and two malls under development, with a total GFA of 13.2 million sq ft and operational NLA of 6.0 million sq ft as at 31 December 2012.

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 destination. Many of our malls attract a high monthly footfall of between 1.0 million and 3.0 million.

We had more than 3,000 leases with international and domestic retailers and have achieved a high occupancy rate of approximately 98.6% as at 31 December 2012. The high occupancy rate is a testament to our strong tenant relationships and intimate understanding of their business needs.

2012 has been an eventful year for us as we saw the opening of four malls. JCube, which is positioned as a youth and entertainment hotspot with its IMAX theatre and Singapore's only Olympic-size ice rink, was successfully opened in April. Bugis+, formerly known as Iluma, was successfully transformed into the retail and entertainment extension of Bugis Junction. In September, we opened The Star Vista which is the first major mall in Buona Vista and is the first naturally cooled mall in Singapore. The lifestyle mall has more than half of its NLA set aside for dining outlets, many of which offer alfresco chill-out options. The new retail space at the Atrium@Orchard was opened in end-October 2012 and it is now fully integrated with the adjacent Plaza Singapura.

We recognise the importance of refreshing our operating malls constantly in order to stay relevant to our shoppers. Clarke Quay has recently completed its asset enhancement initiatives (AEIs) for blocks C and E, introducing new dining and entertainment concepts to refresh and improve visitor experience. Malls with asset enhancement in progress include Junction 8, which is undergoing a facelift to refresh and rejuvenate the mall, and IMM Building, which will be repositioned into a value focused mall. Both AEIs are targeted to complete in 2013.

On the development front, we are developing an integrated project, known as Westgate, in the Jurong Lake District, Singapore's largest regional hub. Strategically located beside the bus interchange and MRT interchange station, the project will comprise a lifestyle mall and a prime office tower. At the same time, we are developing an integrated project comprising a private condominium and a retail mall next to Bedok Town Centre and Bedok MRT station. The retail mall, known as Bedok Mall, will be Bedok's first full-fledged shopping mall with an air-conditioned bus interchange.

Singapore's Ministry of Trade and Industry has forecasted the domestic economy to grow between 1.0% and 3.0% in 2013. However, consumer sentiment may be affected by the uncertainties in the global economy. Nonetheless, we remain confident that our strong retail network and knowledge of tenants' sales will stand us in good stead in times of economic uncertainties. With the completion of the AEIs at Junction 8 and IMM Building as well as the opening of the retail component of Westgate and Bedok Mall in 2013, we will continue to provide our shoppers with improved shopping experience and new retail offerings.

For more details of our properties, please refer to portfolio details on page 88.

1. Excludes ION Orchard Link.
2. Excludes properties under development as at 31 December 2012.
3. Excludes The Orchard Residences and Bedok Residences.
4. Refers to weighted average yield of our operational malls (excluding JCube and The Star Vista), computed on a 100% basis, by using the NPI for FY 2012, divided by the property values as at 31 December 2012.
5. Refers to weighted average committed occupancy rate for operational malls (excluding JCube and The Star Vista) as at 31 December 2012.

Business Review

China

"We will continue to selectively pursue strategic acquisitions and development opportunities to extend our market leadership and entrench into key cities to better reap economies of scale."

CapitaMall Taiyanggong, Beijing

Total number of retail properties
(including 10 under development)

59

Total GFA
(sq ft)

64.8mil

Total operational NLA[1]
(sq ft)

25.1mil

Total property value[2]
(100% basis)

S$14.0bil

NPI yield[3]

5.6%

Occupancy rate[3]

96.7%

As at 31 December 2012, we have 59 malls in China, 49 operational and 10 under development.

2012 was an inflection point for CMA's China business. We completed the acquisition of the remaining 50.0% stakes in Shanghai's Minhang Plaza and Hongkou Plaza in 1Q 2012 and opened seven malls in China: CapitaMall Taiyanggong, Beijing, CapitaMall Rizhao, Raffles City Chengdu, CapitaMall Xuefu, Harbin, CapitaMall Wusheng, Wuhan, Raffles City Ningbo and CapitaMall Xindicheng, Xi'an. Our operational malls in China now constitute approximately 70.0% of our China portfolio NAV[4]. On an effective-stake basis, our overall China malls' NPI registered growth of about 75.0% in 2012. On a same-mall basis, the NPI of our China malls increased 16.9% driven by strong tenants' sales growth of 9.8% and increased shopper traffic of 7.0%.

2012 was also a significant year on the acquisition front. In April, we expanded our presence to the south of Beijing through the acquisition of CapitaMall Tiangongyuan. It became our ninth mall in the city and strengthened our market leadership in Beijing. In July, we acquired CapitaMall Xinduxin to develop our first mall in the new urban centre of Qingdao, one of the largest seaports of Northeast Asia Economic Zone. It expanded our footprint in China to 36 cities. In September, the acquisition of CapitaMall 1818 enhanced our foothold in Wuhan to a total of three malls.

In respect of capital recycling, we injected CapitaMall Tianfu and CapitaMall Meilicheng in Chengdu, and the Luwan integrated development in Shanghai, into CapitaMalls China Development Fund III (CMCDF III) as seed assets[5] in 2012.

In 2012, China's retail market continued to grow at 14.3%[6], reflecting the country's sustained economic growth and the government's efforts to promote domestic consumption as a key driver of the economy. China is expected to register 8.4% GDP growth in 2013[7]. Total retail sales are projected to grow at 15.0% per annum from 2011 to 2015, reaching RMB32.0 trillion in 2015[8]. Given the solid fundamentals – rapid urbanisation, a shift from investment-led to consumption-led economic growth, and rising spending power, we remain bullish on the prospects for China's retail market.

In 2013, we target to open three malls in China (all in Chengdu) including CapitaMall Tianfu, CapitaMall Meilicheng, and CapitaMall Jinniu Phase 2, bringing our total number of operational China malls to 51[9]. We will continue to selectively pursue strategic acquisitions and development opportunities to extend our market leadership and entrench into key cities to better reap economies of scale.

1. Excludes properties under development as at 31 December 2012.
2. Excludes residential properties for sale.
3. For malls opened before 1 January 2011.
4. Based on effective stakes and NAV as at 31 December 2012.
5. In respect of Luwan integrated development, CMCDF III has entered into a conditional agreement to acquire the same from a wholly-owned subsidiary of CMA, completion of which is subject to relevant governmental approvals being obtained and other conditions being fulfilled.
6. Source: National Bureau of Statistics.
7. Source: The World Bank.
8. Source: The Twelfth Five-Year Plan for National Economic and Social Development of China.
9. CapitaMall Jinniu Phase 2, Chengdu is a major extension of an existing mall and thus not considered as an additional mall.

Malaysia

"In spite of the challenging global economic environment, Malaysia's economic growth is expected to be robust for 2013, supported by strong private investment and consumption as well as the acceleration of public infrastructure projects. The macroeconomic environment augurs well for retail sales and for CMA, especially given that our malls are essentially focused on necessity shopping."

Gurney Plaza, Penang

Total number of retail properties
(including 1 under development)

6

Total GFA[1]
(sq ft)

5.5mil

Total operational NLA[2]
(sq ft)

3.4mil

Total property value
(100% basis)

S$1.5bil

NPI yield

6.6%

Occupancy rate

96.6%

In Malaysia we have six retail assets, which have an aggregate GFA of 5.5 million sq ft and operational NLA of 3.4 million sq ft as at 31 December 2012. With a committed occupancy rate of 96.6% as at 31 December 2012 and shopper traffic of 73.5 million, our Malaysian shopping malls performed well in 2012. 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 an effective sponsor stake of 35.88% as at 31 December 2012.

In May 2012, CMA entered into a 50:50 joint venture with Sime Darby Property, Malaysia's largest property developer in terms of landbank, to develop a 635,000 sq ft mall in Taman Melawati, the Klang Valley. It will be the first major shopping mall in Taman Melawati, an established and affluent residential district, and will cater to the under-served retail needs of the residents there as well as the surrounding neighbourhoods. With a total development cost of approximately RM500.0 million, the shopping mall is expected to be completed in 2016, and will serve a catchment population of around 800,000 people within a 10-minute drive. This project is CMA's first greenfield development in Malaysia and will further strengthen its foothold in the country.

Asset enhancement and upgrading initiatives were undertaken at CMA's Malaysian malls throughout 2012, with the most major works conducted at Gurney Plaza. As part of continual efforts to improve the shopping experience and create a new look and feel at Gurney Plaza, as well as reinforce its positioning as Penang's premier lifestyle shopping mall, an interior refurbishment programme at the mall was completed. The programme included retiling of the common area and installation of fascia panels in various atrium spaces. In addition, in late 2012, approximately 4,500 sq ft of retail space was created on the ground floor and basement through, among other things, the construction of a floor slab where an under-utilised travelator void had been located.

In spite of the challenging global economic environment, economic growth is projected to have grown 4.5% to 5.0% in 2012 and is forecast to grow another 4.5% to 5.5% in 2013, supported by resilient private investment and consumption as well as the acceleration of public infrastructure projects. The macroeconomic environment augurs well for retail sales, which are estimated to have grown 5.8% in 2012 and are forecast to grow 6.0% in 2013[3]. CMA is well-positioned to benefit from this growth as our malls are essentially focused on necessity shopping.

For more details of our properties, please refer to portfolio details on page 88. NLA, occupancy rate, property value and NPI yield as at 31 December 2012.
1. Including the car park GFA for East Coast Mall, the aggregate GFA for six retail assets is 5.9 million sq ft.
2. Excludes the greenfield project in Taman Melawati.
3. Source: Retail Group Malaysia.

Japan

"Japan's economic outlook in 2013 is expected to be positive. With our newly acquired property, Olinas Mall in Tokyo, we will continue to strengthen the performance of our assets in Japan, and tap on our retailers network to bring them to other markets that CMA operates in."

Olinas Mall, Tokyo

Total number of retail properties

8

Total GFA
(sq ft)

2.4mil

Total operational NLA
(sq ft)

1.9mil

Total property value
(100% basis)

S$0.9bil

NPI yield

5.1%

Occupancy rate

95.7%

As at 31 December 2012, we have eight retail assets in Japan, with the occupancy and NPI yield on our Japan portfolio at 95.7% and 5.1% respectively.

In 2012, we grew our portfolio in Japan and strengthened our network with Japanese retailers. In February, CMA acquired the remaining stake in La Park Mizue, Izumiya Hirakata, and Coop Kobe Nishinomiya-Higashi from CapitaMalls Japan Fund Pte Ltd. In July, we also acquired Olinas Mall in Tokyo. In this regard, four of our retail properties are now 100% owned by CMA, with the remaining four still invested through CapitaMalls Japan Fund Pte Ltd, in which we have a 26.29% stake.

In 2012, we also successfully completed a major asset enhancement initiative (AEI) for Vivit Minami-Funabashi. With the AEI, we brought in a new anchor tenant and also created a new food zone to improve the tenancy mix of the mall. Post-AEI, we saw an increase of 14.0% in shopper traffic and 10.0% in tenants' sales compared to the same period in the previous year.

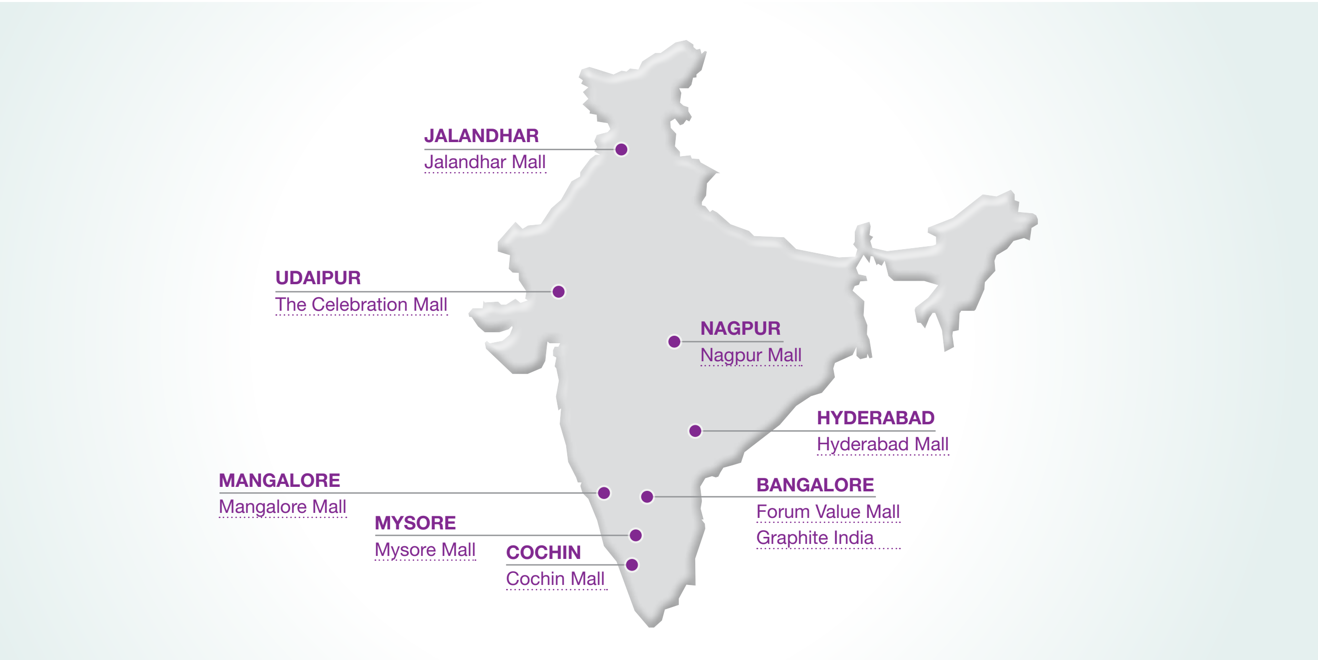
Japan's economy recovered gradually in 2012, with the Bank of Japan projecting GDP growth to be 1.5%. Our malls remained stable with tenants' gross sales increasing 8.0% and shopper traffic growing 9.7% for Vivit Minami-Funabashi and Chitose Mall, our two multi-tenanted malls, in 2012.

In 2013, Japan is expected to continue on its path of gradual economic recovery. 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.

Business Review

India

"The lower pace of GDP growth in 2012 is expected to witness a turnaround in the next few quarters on account of policy reforms, such as FDI in retailing and insurance, and continued growth in other key segments."



The Celebration Mall, Udaipur

Total number of retail properties
(including 7 under development)

9

Total GFA
(sq ft)

6.6mil

Total operational NLA[1]
(sq ft)

0.6mil

Total property value
(100% basis)

S$0.4bil

NPI yield[2]

6.6%

Occupancy rate[2]

96.3%

CMA's investment in India is through a 45.45% stake in the S$880 million CapitaMalls India Development Fund (CMIDF). As at 31 December 2012, we have nine malls in India, two operational and seven under development. The two operational malls are Forum Value Mall, Bangalore and The Celebration Mall, Udaipur.

CMA will continue to expand its presence over time and is well positioned to benefit from growth in the retail market, especially with the impending deregulation of foreign direct investment (FDI) in the retail industry. Our focus in the coming months will be to advance the construction of our remaining projects under development, especially our projects in Mangalore and Hyderabad, which are targeted to open in late 2013 and early 2014 respectively.

The India growth story is intact despite the lower pace of growth witnessed in the last few quarters. The Indian economy witnessed a growth of 5.3% in 3Q 2012, compared to the corresponding period of 2011 making it the weakest quarter over the last three years but suggesting a bottoming out of the economic slowdown. GDP growth forecast for the full fiscal year 2012 – 13 is estimated to be between 5.0% – 5.5%. The Reserved Bank of India had raised interest rates 13 times during the period March 2010 to October 2011, however a dip in the rate of inflation in early 2012 provided a window for bank to reduce its benchmark rate by 50 basis points in April 2012, signaling a relaxation of its tight monetary policy. While high interest rates have affected investment and consumption demand, the bedrock of India's economy, a reduction in interest rates is expected to have a positive impact on the economy. Furthermore, the lower pace of GDP growth in 2012 is expected to witness a turnaround in the next few quarters on account of policy reforms, such as FDI in retailing and insurance, and continued growth in other key segments such as pharmaceuticals, IT services and entertainment which have continued to register double digit growth over the last few years.

1. Includes only Forum Value Mall's retail component and phase 1 of The Celebration Mall, Udaipur.
2. For Forum Value Mall's retail component.

Performance Review

We have an integrated shopping mall business model and our principal business strategy is to invest in, develop and manage on a long term basis a diversified portfolio of retail properties in Asia, where the growth potential is. Specifically, we aim to maintain an investment portfolio comprising predominantly income-producing assets located in more developed Asian countries, such as Singapore, Malaysia and Japan, to provide income stability, while growing the portfolio by investing in the emerging markets of China and India, and selectively in Singapore and Malaysia.

2012 marked the third full year of operations since CMA's listing in November 2009. Our malls in our key markets of Singapore, China and Malaysia continued their growth momentum in 2012. The net property income of our China malls on a same mall basis (based on malls that were opened as at 1 January 2011) increased by 16.9% compared to 2011. The better operating performances of the malls coupled with construction meeting milestones for properties under development resulted in higher 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 non-controlling interests (PATMI) of S$546.0 million for FY 2012.

CMA continued to expand its portfolio in 2012, with acquisitions in China, Japan and Malaysia of more than S$1.6 billion. CMA established a US$1.0 billion CapitaMalls China Development Fund III (CMCDF III) with the injection of CapitaMall Tianfu, CapitaMall Meilicheng and Luwan integrated development[1] as seed assets.

CMA continued to expand our footprint in China and strengthen our presence in the regions and cities that we are already in. CMA signed a conditional agreement to acquire a site at Xinyuan Street in Daxing District to develop its first shopping mall in the south of Beijing, to cater to this up-and-coming region. In Qingdao, CMA entered into a conditional agreement to acquire the site at the junction of Heilongjiang Road and Hefei Road in Sifang District for development of its first shopping mall in the city. In Wuhan, CMA signed an agreement to acquire the retail component of an integrated development which also include residential and office components, situated along Zhong Bei Road in Wuchang District.

In Singapore, The Star Vista, Singapore's first naturally ventilated mall and strategically located next to the Buona Vista MRT interchange station, opened in September 2012. Asset enhancement works at JCube, Bugis+ and The Atrium@Orchard were completed in 2012 and are expected to boost rental income in 2013. JCube, an ultra-hip mall with Singapore's only Olympic-size ice rink and IMAX cinema in Singapore's suburbs, opened in April 2012. Plaza Singapura completed its S$150.0 million asset enhancement programme in October 2012, combining the retail podium at the neighbouring The Atrium@Orchard with Plaza Singapura and increasing net lettable areas to about the size of ION Orchard.

In Japan, CMA acquired the remaining 73.71% stake in La Park Mizue, Izumiya Hirakata and Coop Kobe Nishinomiya-Higashi from CapitaMalls Japan Fund Pte. Ltd., an associated company of CMA. CMA also acquired Olinas Mall, one of the biggest and newest malls in vibrant Kinshicho in the Sumida Ward of Tokyo. Olinas is strategically located near two train stations and part of a large integrated development. The addition of Olinas will also strengthen our portfolio in Japan and widen our retailers' network in the region.

In Malaysia, CMA strengthens its foothold with the commencement of its first development project with Sime Darby Property to jointly develop a new shopping mall in Taman Melawati, the Klang Valley, Malaysia.

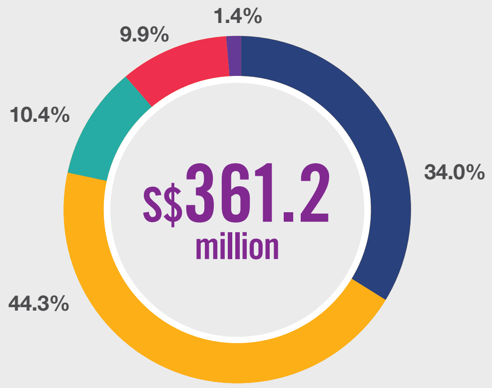
The Group actively managed its funding needs while maintaining prudence in capital management. As at 31 December 2012, CMA recorded a cash position of S$675.4 million and a moderate debt equity ratio of 0.30 times. CMA successfully closed a S$400.0 million 10-year callable step-up bonds offering with strong retail support in January 2012 and a S$250.0 million 10-year fixed rate medium-term notes issuance in August 2012. CMA has the funding flexibility as well as balance sheet capacity to continue to grow our business confidently and capitalise on potential acquisition opportunities.

The Group's FY 2012 PATMI was S$546.0 million, a 19.7% increase as compared to FY 2011 PATMI of S$456.0 million. This was largely contributed by the portfolio gain in relation to injection of CapitaMall Tianfu and CapitaMall Meilicheng to CMCDF III and the higher share of results of CMT largely attributable to the proportionate share of the gain arising from the disposal of Hougang Plaza, contributions from four Japan malls and improved results from the management fee business; partially offset by lower fair value gains recorded for the properties in Singapore and China and higher finance cost incurred due to the issuances of the callable step-up bonds in January 2012 and fixed rate medium term notes in August 2012, coupled with new loans undertaken for the new investments in 2012.

1. In respect of Luwan integrated development, CMCDF III has entered into a conditional agreement to acquire the same from a wholly-owned subsidiary of CMA, completion of which is subject to relevant governmental approvals being obtained and other conditions being fulfilled.

2012 Revenue

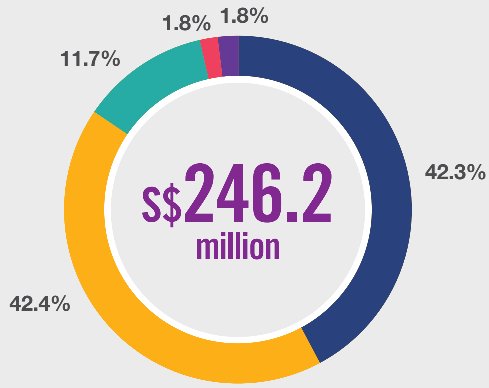
By Geographical Location (S$ million)



●	Singapore	123.1
●	China	160.0
●	Malaysia	37.6
●	Japan	35.6
●	India	4.9

2011 Revenue

By Geographical Location (S$ million)



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

Revenue

The Group's revenue for FY 2012 of S$361.2 million was mainly contributed by the Management Fee Business of S$248.5 million and the Investment Business of S$109.6 million. This was in comparison to FY 2011 of S$246.2 million where Management Fee Business contributed S$188.2 million and Investment Business contributed S$56.2 million.

Revenue grew by 46.7% in FY 2012 on the back of contribution from Olinas Mall, additional stakes in three malls in Japan, new contribution from The Star Vista and improvement in Management Fee Business.

The increase in contribution relating to Investment Business from FY 2011 was largely due to acquisition of Olinas Mall in July 2012, additional stakes in three malls in Japan in February 2012 and new contribution from The Star Vista which began operations in September 2012. Improvement in Management Fee Business was mainly due to higher project and property management fees arising from better performances of shopping malls, leasing commissions from new mall openings and new projects undertaken.

Geographically, Singapore and China continued to be the top two contributors, followed by Malaysia and Japan. The Group will continue with its strategy to strengthen its presence in these key markets.

For Singapore, revenue for FY 2012 was 18.3% higher mainly attributable to new contribution from The Star Vista which began operations in September 2012 and higher property management fees from CMT due to new malls opening in 2012.

For China, revenue was 53.2% higher mainly attributable to higher fund, property and project management fees and rental revenue from operating malls. The higher fee revenue was due to better performances of shopping malls, new mall openings and new projects undertaken.

For Malaysia, FY 2012 revenue was 30.1% higher mainly due to Queensbay Mall which was acquired in April 2011. Japan registered higher FY 2012 revenue mainly attributable to the acquisition of Olinas Mall in July 2012 and additional stakes in three malls in February 2012.

Earnings Analysis

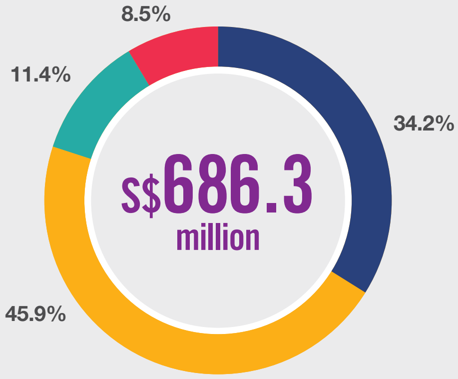
The Group's EBIT for FY 2012 of S$686.3 million was mainly contributed by the Investment Business of S$649.2 million and the Management Fee Business of S$83.9 million. This was in comparison to FY 2011 of S$601.9 million with contributions mainly coming from Investment Business and Management Fee Business of S$590.7 million and S$63.6 million respectively.

The increase in EBIT for Investment Business from FY 2011 was largely due to portfolio gains of S$116.9 million, contribution from acquisition of Olinas Mall in July 2012 and additional stakes in three malls in Japan in February 2012; partially offset by the lower fair value gains recorded

Performance Review

2012 EBIT

By Geographical Location (S$ million)

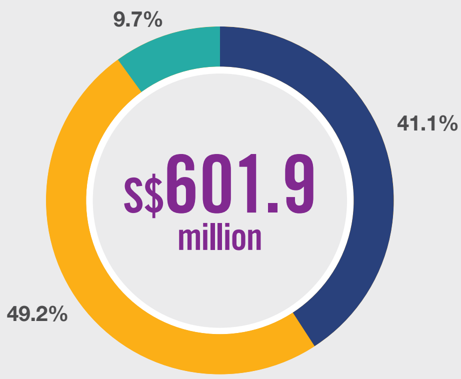


●	Singapore	241.6
●	China	324.5
●	Malaysia	80.8
●	Japan	60.5

Note: Included EBIT from India of -S$21.1 million

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

for FY 2012 for the properties in China and Singapore. The increase in the Management Fee Business was due mainly to higher project and property management fees arising from better performances of shopping malls, new mall openings and new projects undertaken, partially offset by higher operating costs largely from an enlarged employee base.

EBIT increased by 14.0% to S$686.3 million in 2012. The improvement was largely contributed by the portfolio gains in relation to injection of CapitaMall Tianfu and CapitaMall Meilicheng to CMCDF III and the proportionate share of the gain arising from the disposal of Hougang Plaza by CMT in June 2012, contributions from the four Japan malls and improved results from the management fee business; partially offset by the lower fair value gains recorded for the properties in Singapore and China, higher fair value losses and impairment losses suffered from India on its investments and properties.

In terms of geographical spread, EBIT from both Singapore and China EBIT constituted about 82.5% and 93.5% of Group's total EBIT for FY 2012 and FY 2011 respectively.

For Singapore, FY 2012's EBIT at S$241.6 million was lower than FY 2011 by 5.7%. This was largely due to the lower fair value gains recorded but partially offset by the proportionate share of the gain arising from the disposal of Hougang Plaza by CMT in June 2012, improved performance from CMT and absence of Hong Kong listing expenses of S$16.3 million in the current year.

China posted higher EBIT for FY 2012 mainly due to portfolio gains relating to the injection of CapitaMall Tianfu and CapitaMall Meilicheng to CMCDF III and dilution gain arising from CRCT's recent equity placement in 4Q 2012; new contributions from Minhang Plaza and Hongkou Plaza and improved contribution from the management fee business. This was partially offset by the lower fair value gains recorded for FY 2012.

The higher Malaysia EBIT for FY 2012 was mainly attributable to the higher fair value gains recorded by Queensbay Mall and properties held under CMMT.

For Japan, the increase in EBIT for FY 2012 was mainly due to the fair value gains and contributions from the four wholly-owned Japan malls.

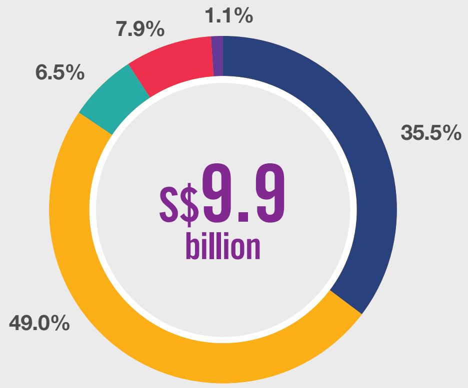
In India, the higher negative EBIT for FY 2012 was due to the losses suffered at the associates level arising from impairment of their investments and properties and share of fair value losses.

Dividends

The Board of Directors is pleased to propose a final dividend of 1.625 cents per share in respect of the financial year ended 31 December 2012. Together with the interim dividend of 1.625 cents paid on 13 September 2012,

2012 Assets

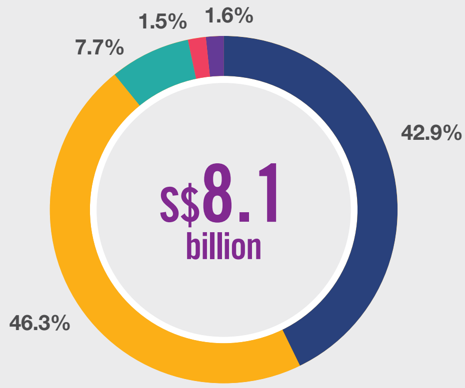
By Geographical Location (S$ million)



Singapore	3,527.0
China	4,866.8
Malaysia	648.9
Japan	778.8
India	109.8

2011 Assets

By Geographical Location (S$ million)



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

this amounts to a total payout of 3.25 cents per share or approximately S$126.4 million based on the number of issued shares as at 31 December 2012. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For FY 2011 an interim dividend of 1.5 cents per share was paid on 16 September 2011 and a final dividend of 1.5 cents per share was paid on 9 May 2012.

Assets

The Group's total assets as at 31 December 2012 stood at S$9.9 billion, of which Singapore and China accounted for 84.5% and 89.2% of the Group's total assets in FY 2012 and FY 2011 respectively. The Group's assets have registered an increase of S$1.8 billion, or 22.9% from FY 2011 of S$8.1 billion. The increase was mainly due to acquisition of 50% stake in Minhang Plaza and Hongkou Plaza, acquisition of Olinas Mall, additional stakes in three malls in Japan and additional investment in Raffles City Chongqing. As at 31 December 2012, certain subsidiaries of the Group pledged assets with aggregate carrying value of S$1,186.1 million (2011: S$617.5 million) to secure credit facilities or for the issuances of notes and bonds.

As at 31 December 2012, CMA owned and managed 101 malls with total property value of S$31.7 billion.

Borrowings

As at 31 December 2012, the Group's gross debt stood at S$2,714.4 million and cash balance of S$675.4 million. The Group's net debt as at 31 December 2012 was S$2,039.0 million as compared to a net debt position of S$254.2 million as at 31 December 2011. The increase in net debt position was mainly due to the issuances of S$400.0 million callable step-up bonds in January 2012, S$250.0 million fixed rate medium term notes in August 2012 and new bank loans taken up for investments in 2012. This was partially offset by repayment of bank loans and redemption of S$75.0 million retail bond in January 2012. As at 31 December 2012, 73.6% of the Group's borrowings were denominated in Singapore Dollars, 20.5% in Japanese Yen, 3.0% in Chinese Renminbi and 2.9% in Malaysian Ringgit.

Shareholders' Equity

As at 31 December 2012, the issued and paid-up ordinary share capital of the Company comprised of 3.9 billion shares at S$4.6 billion. The Group's total reserves increased from S$1.6 billion in December 2011 to S$1.9 billion in December 2012. The increase was mainly attributed by the PATMI of S$546.0 million for the year and partially offset by exchange loss arising from translation of foreign operations, payment of final dividend and interim dividend for 2011 and 2012 respectively. The shareholders' fund as at end 2012 were S$6.5 billion compared to S$6.2 billion in 2011. With a higher equity, the Group's net tangible assets per share increased by 4.4% to S$1.67 as at 31 December 2012.

Cash and Cash Equivalents

As of 31 December 2012, we had aggregate cash and cash equivalents of S$675.4 million compared to S$975.5 million as of 31 December 2011. 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 29 to the Financial Statements.

Gearing Ratio

The Group has a gearing ratio of 30.3% as at 31 December 2012, which is calculated on the basis of net debt to total shareholder's equity, as compared to 3.9% as at 31 December 2011. The increase in our gearing ratio is a result of increased bank borrowings and debt securities issued in 2012.

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 29 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. It manages 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.

Funds are centrally raised at CapitaMalls Asia Treasury Limited and lent 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 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.

Growth in the Asian economies have moderated on the back of uncertainty in the ongoing Eurozone debt crisis. While the global economic environment remains fragile, with downside risks mainly emanating from Europe, the Group has maintained relatively strong cash reserves of S$675.4 million.

As a dual-listed company, we have access to 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 S$631.9 million of unutilised banking facilities to support our capital requirements. As at 31 December 2012, 44.9% of the Group's total debt was raised through capital market and the balance 55.1% was from bank borrowings. In FY 2011, 51.3% of total debt was raised through capital market and 48.7% from bank borrowings.

The Group has a total equity of S$6,738.0 million, net debt position of S$2,039.0 million and cash reserves of S$675.4 million on the balance sheet. Complemented by available credit facilities of S$631.9 million and debt security capacity of S$1,576.3 million, the Group is in a strong position to support its working capital requirements, refinancing needs and to respond to any investment opportunities.

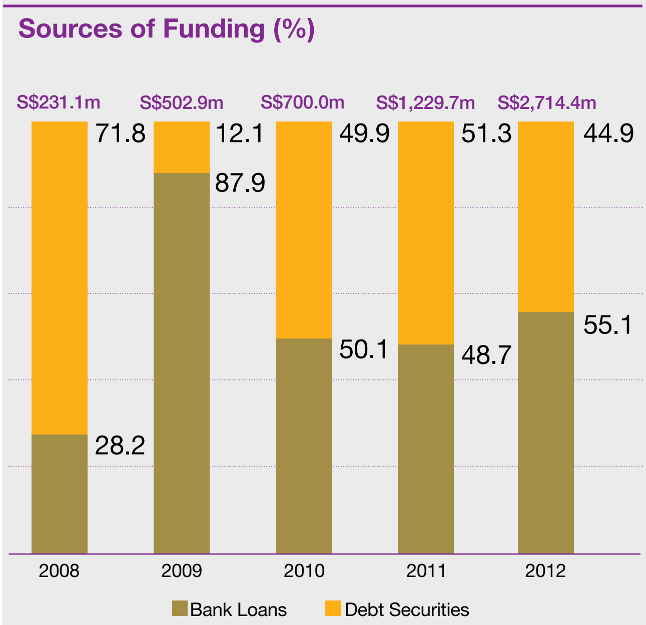
Finance Costs for the Group

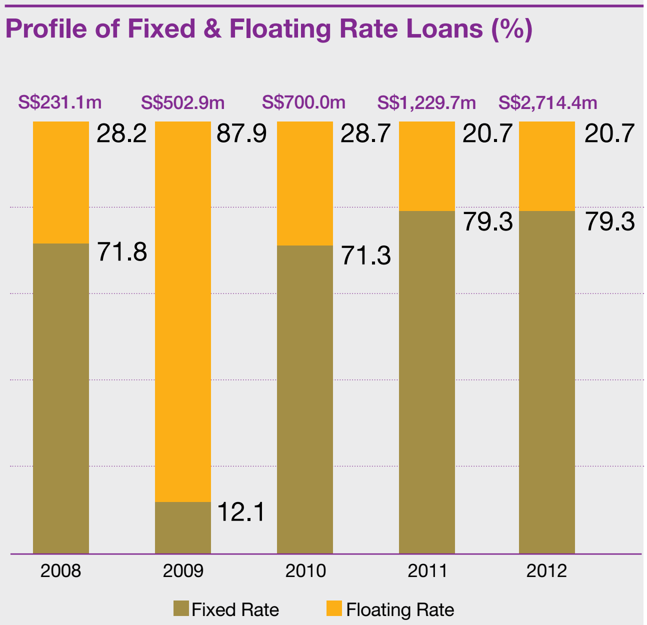
Finance costs for the Group were S$69.7 million for the financial year ended 2012, 109.3% higher compared to S$33.3 million in FY 2011.

The increase in finance costs was primarily attributable to the issuances of S$400.0 million callable step-up bonds in January 2012 and S$250.0 million fixed rate medium-term notes in August 2012, drawdown of new bank loans in 2012 for the funding of new investments, partially offset by repayments.

Commitment of Funding

As at 31 December 2012, the Group has available and unutilised credit facilities of S$631.9 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.

During the year, the Group has successfully issued a 10-year S$400.0 million callable step-up bonds in January 2012 and also raised a 10-year S$250.0 million fixed rate medium term notes issued under the S$2.0 billion Euro-Medium Term Note Programme. The Group has prudently tapped the debt capital markets opportunistically for longer dated committed funding, thereby extending its average debt maturity profile to 5.0 years. 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.

The Group has proactively built up sufficient cash reserves from different funding sources and credit lines to enable it to meet its debt obligations, capital commitments and pursue opportunistic investments.

Maturity Profile

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. As such, we have extended our maturity profile from 3.4 years in 2011 to 5.0 years in 2012 at a competitive rate.

Available Lines by Nationality of Banks as at 31 December 2012

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 of 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. In general, a minimum threshold of 60.0% fixed rate debt is relatively appropriate for our Group. As at 31 December 2012, the fixed rate borrowings constitute 79.3% of the debt portfolio and the balance 20.7% were on floating rate basis. By having a higher fixed rate debt, it allows the Group to achieve certainty in interest rates and minimise the volatility of interest rate movements on the financial position of the Group.

Interest Cover Ratio (ICR)

The Group recorded a net interest expense of S$35.0 million in FY2012 as compared to net interest expense of S$9.7 million in FY 2011. ICR for FY 2012 is 18.8 times while ICR for FY 2011 is 60.3 times.

Performance Review

Treasury Highlights

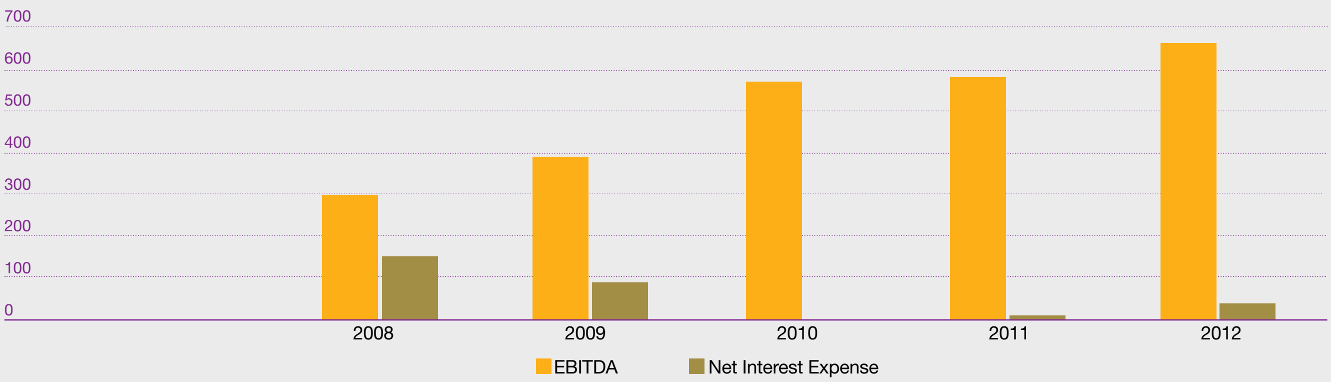
	2012 S$ million	2011 S$ million
Bank Facilities And Available Funds		
Bank facilities available (S$m)	2,141.4	1,578.5
Amount utilised for loans (S$m)*	1,508.4	602.6
Amount utilised for banker's guarantee (S$m)	1.1	6.5
Available and unutilised (S$m)	631.9	969.4
Unutilised facilities and funds available for use (S$m)	1,307.3	1,944.9
Debt Securities Capacity		
Debt securities capacity (S$m)	2,799.3	2,461.3
Debt securities issued (S$m)*	1,223.0	631.6
Unused debt security capacity (S$m)	1,576.3	1,829.7
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation (S$m)	659.7	585.1
Net interest expenses (S$m)	35.0	9.7
Interest cover ratio (times)	18.8	60.3
Debt Equity Ratio		
Gross debt (S$m)	2,714.4	1,229.7
Cash and fixed deposit balances (S$m)	675.4	975.5
Net debt (S$m)	2,039.0	254.2
Total equity (S$m)	6,738.0	6,477.1
Net debt to equity ratio (net of cash and fixed deposit balances) (times)	0.3	0.04

* Figure exclude unamortised transaction cost.

Debt Maturity Profile

Maturity Period	S$ million	% of Debt
Less than 1 year	8.9	0.3
Between 1 & 2 years	237.4	8.8
Between 2 & 3 years	510.8	18.8
Between 3 & 4 years	470.8	17.3
Between 4 & 5 years	500.8	18.5
After 5 years	985.7	36.3

EBITDA vs Net Interest Expense (S$ million)



	2008	2009	2010	2011	2012
EBITDA vs Net Interest Expense (S$ million)	297.3 145.2	389.1 86.1	584.6 (0.4)	585.1 9.7	659.7 35.0
Interest Cover Ratio (Times)	2.0	4.5	N.M.	60.3	18.8

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	2012 S$ million	2011 S$ million
Net Operating Profit Before Tax		210.1	219.6
Adjust for:			
Share of results of associates and jointly-controlled entities		406.5	348.9
Interest expense		69.7	33.3
Adjusted Profit Before Interest and Tax		686.3	601.8
Cash operating taxes	1	(37.2)	(32.7)
Net Operating Profit After Tax (NOPAT)		649.1	569.1
Average capital employed	2	7,720.5	6,265.5
Weighted average cost of capital (%)	3	4.9	5.3
Capital Charge (CC)		378.3	332.1
Economic Value Added (EVA) [NOPAT – CC]		270.8	237.0
Non-controlling interests		0.7	(28.6)
Group EVA attributable to Equity Holders of the Company		271.5	208.4

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	2,352.5
Equity	5,368.0
Total	**7,720.5**

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% (2011: 5.0%) per annum;

ii) Risk-free rate of 1.67% (2011: 2.39%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;

iii) Ungeared beta of 0.65 (2011: 0.63) based on the risk categorization of the countries that CMA operates in; and

iv) Cost of debt rate at 3.30% (2011: 3.57%) per annum using 5-year Singapore Dollar Swap Offer rate plus 200.0 (2011: 175.0) basis points.

Value Added Statements

	2012 S$ million	2011 S$ million
Value Added From:		
Revenue earned	361.2	246.2
Less bought in materials and services	(95.7)	(97.0)
	265.5	149.2
Share of results of associates and jointly-controlled entities	406.5	348.9
Exchange (loss) / gain (net)	(3.8)	7.6
Other operating income / (expense) (net)	179.6	220.6
	582.3	577.1
Total Value Added	**847.8**	**726.3**
Distribution:		
To employees in wages, salaries and benefits	172.0	134.0
To government in taxes and levies	73.7	81.3
To providers of capital in:		
– Net interest expense / (income)	35.0	9.7
– Dividends to shareholders	121.5	136.0
	402.2	361.0
Balance Retained in the Business:		
Depreciation and amortisation	8.1	6.9
Retained profits net of dividends to equity holders of the Company	424.5	320.0
Non-controlling interests	12.8	38.2
	445.4	365.1
Non-Production Costs and Income:		
Allowance for / (Write back of) doubtful receivables (net)	0.2	0.2
Total Distribution	**847.8**	**726.3**
Productivity Analysis:		
Value added per employee (S$'000)#	205.8	202.8
Value added per dollar of employment cost (S$)	4.93	5.42
Value added per dollar sales (S$)	0.74	0.61

Based on average 2012 headcount of 4,120 (2011: 3,580).

5-Year Financial Summary

	2012	2011	2010	2009	2008
Income Statement (S$ million)					
Revenue	**361.2**	**246.2**	**245.4**	**228.9**	**205.2**
- Singapore	123.1	104.1	108.7	84.3	81.8
- China	160.0	104.4	78.7	62.9	63.7
- Malaysia	37.6	28.9	49.5	79.1	59.0
- Japan	35.6	4.4	4.7	2.1	0.7
- India	4.9	4.4	3.8	0.5	–
Earning before Interest and Tax	**686.3**	**601.9**	**603.4**	**408.3**	**305.7**
- Singapore	241.6	256.2	476.0	308.2	170.5
- China	324.5	306.6	89.4	81.2	90.1
- Malaysia	80.8	60.8	52.6	52.4	69.4
- Japan	60.5	(17.8)	(8.3)	(20.8)	(18.5)
- India	(21.1)	(3.9)	(6.3)	(12.7)	(5.8)
Profit for the Year	558.8	494.2	548.9[1]	274.2[1]	118.1
Profit Attributable to Owners of the Company	546.0	456.0	541.3[1]	268.7[1]	115.6
Balance Sheet (S$ million)					
Investment Properties	1,565.8	619.0	304.4	1,378.6	1,390.1
Properties Under Development	548.1	1,060.1	288.8	127.7	171.3
Associates and Jointly-Controlled Entities	6,007.3	4,657.9	4,163.4	3,674.8	2,988.2
Cash and Cash Equivalents	675.4	975.5	1,318.3	544.3	138.1
Other Assets	1,134.7	765.5	907.3	651.6	437.6
Total Assets	**9,931.3**	**8,078.0**	**6,982.2**	**6,377.0**	**5,125.3**
Loans and Borrowings	2,714.4	1,229.7	700.0	502.9	3,003.1
Other Liabilities	479.0	371.2	394.0	480.7	537.2
Equity Attributable to Owners of the Company	6,490.3	6,227.0	5,828.5	5,340.0	1,532.9
Non-Controlling Interests	247.6	250.1	59.7	53.4	52.1
Total Equity and Liabilities	**9,931.3**	**8,078.0**	**6,982.2**	**6,377.0**	**5,125.3**
Financial Ratios					
Earnings per share (cents) – Basic and Diluted	14.0	11.7	13.9	13.9	N.M.[3]
Net Tangible Asset per share (S$)	1.7	1.6	1.5	1.4	N.M.[3]
Return on Total Assets (%)	7.0%	7.0%	8.6%	6.7%	N.M.[3]
Return on Equity (%)	8.6%	7.6%	9.7%	7.8%	N.M.[3]
Dividend per share (cents)	3.25	3.00	2.00	1.00	N.M.[3]
Debt Equity Ratio (net of cash) (times)	0.30	0.04	N.M.[2]	N.M.[2]	N.M.[3]

1. 2009 and 2010's Profit for the Year and Profit Attributable to Owners of the Company have been restated following the adoption of INT FRS115 Agreements for the construction of Real Estate in 2011. Prior to the restatement, Profit for the Year for 2009 and 2010 were S$393.7 million and S$429.5 million respectively; and Profit Attributable to the Owners of the Company for 2009 and 2010 were S$388.1 million and S$421.9 million respectively.
2. Not meaningful as the Group was in a net cash position.
3. Not meaningful as this was prior to the Initial Public Offering of the Company.

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 2012 (S$'000)
Bedok Mall & Bedok Residences[b] *(under development, with mall to be completed in 2013)*	New Upper Changi Road / Bedok North Drive	Joint Venture	50.00%	94,340	N.A.	99 years, expiring in November 2110	549,782
Bugis Junction	Victoria Street	CapitaMall Trust	27.57%	53,672	38,942	99 years, expiring in September 2089	879,000
Bugis+	Victoria Street	CapitaMall Trust	27.57%	29,733	19,934	60 years, expiring in September 2065	322,000
Bukit Panjang Plaza	Jelebu Road	CapitaMall Trust	27.57%	21,273	14,124	99 years, expiring in November 2093	270,000
Clarke Quay	River Valley Road	CapitaMall Trust	27.57%	34,036	27,034	99 years, expiring in January 2089	325,000
Funan DigitaLife Mall	North Bridge Road	CapitaMall Trust	27.57%	44,788	27,762	99 years, expiring in December 2078	354,000
IMM Building[a, g]	Jurong East	CapitaMall Trust	27.57%	132,506	88,227	60 years, expiring in January 2049	608,000
ION Orchard	Orchard Road	Joint Venture	50.00%	87,727	58,237	99 years, expiring in March 2105	2,863,000
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	28,525
JCube	Jurong East	CapitaMall Trust	27.57%	29,433	19,567	99 years, expiring in February 2090	340,000
Junction 8	Bishan	CapitaMall Trust	27.57%	34,994	23,325	99 years, expiring in August 2090	617,000
Lot One Shoppers' Mall	Choa Chu Kang	CapitaMall Trust	27.57%	30,405	20,424	99 years, expiring in November 2092	467,000
Plaza Singapura	Orchard Road	CapitaMall Trust	27.57%	71,234	45,239	Freehold	1,106,000
Raffles City Singapore[a, c]	North Bridge Road	CapitaMall Trust	11.03%	320,490	74,490	99 years, expiring in July 2078	2,902,000
Rivervale Mall	Rivervale Crescent	CapitaMall Trust	27.57%	10,149	7,540	99 years, expiring in December 2096	106,000
Sembawang Shopping Centre	Sembawang Road	CapitaMall Trust	27.57%	18,394	12,201	999 years, expiring in March 2884	93,000
Tampines Mall	Tampines Central	CapitaMall Trust	27.57%	44,039	30,607	99 years, expiring in August 2091	827,000
The Atrium@Orchard[a]	Orchard Road	CapitaMall Trust	27.57%	53,609	36,079	99 years, expiring in August 2107	717,000
The Star Vista	One Vista Xchange Green	Directly Held	100.00%	24,000	15,173	60 years, expiring in October 2067	336,000
Westgate & Westgate Tower[a] *(under development, with mall to be completed in 2013)*	Boon Lay Way	Joint Venture	58.27%	90,770	N.A.	99 years, expiring in August 2110	1,115,631

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 2012 (S$'000)
CapitaMall 1818, Wuhan *(under development to be completed in 2014)*	Wuchang District, Wuhan	Directly Held	100.00%	70,683	N.A.	Expiring in September 2052	22,339
CapitaMall Aidemengdun, Harbin	Daoli District, Harbin	CapitaMalls China Development Fund II	45.00%	43,851	27,847	Expiring in September 2042	77,778
CapitaMall Anzhen, Beijing	Chaoyang District, Beijing	CapitaRetail China Trust	25.08%	43,443	43,443	Expiring in October 2034/ March 2042/ June 2042	182,322
CapitaMall Beiguan, Anyang	Beiguan District, Anyang	CapitaMalls China Income Fund	45.00%	36,922	25,929	Expiring in March 2046	47,714
CapitaMall Chengnanyuan, Nanchang	Qingyunpu District, Nanchang	CapitaMalls China Income Fund	45.00%	45,607	37,261	Expiring in February 2045	50,430
CapitaMall Crystal, Beijing	Haidian District, Beijing	CapitaMalls China Development Fund II	45.00%	72,422	37,887	Commercial: Expiring in January 2043 Underground carpark: Expiring in January 2053	382,295
CapitaMall Cuiwei, Beijing	Haidian District, Beijing	CapitaMalls China Income Fund	45.00%	56,141	35,367	Commercial: Expiring in May 2046 Underground carpark: Expiring in May 2056	222,084
CapitaMall Deyang	Jingyang District, Deyang	CapitaMalls China Income Fund	45.00%	44,086	30,413	Expiring in November 2045	53,533
CapitaMall Dongguan	Nancheng District, Dongguan	CapitaMalls China Income Fund	45.00%	44,489	32,980	Expiring in January 2055	73,317
CapitaMall Erqi, Zhengzhou	Erqi District, Zhengzhou	CapitaRetail China Trust	25.08%	92,356	92,356	Expiring in May 2042	113,079
CapitaMall Fucheng, Mianyang	Fucheng District, Mianyang	CapitaMalls China Income Fund	45.00%	46,803	34,642	Expiring in September 2044	61,291
CapitaMall Fucheng, Mianyang (Phase II) *(under development to be completed in 2014)*	Fucheng District, Mianyang	CapitaMalls China Income Fund	45.00%	42,111	N.A.	Expiring in June 2047	23,275
CapitaMall Guicheng, Foshan	Nanhai District, Foshan	Directly held jointly with CapitaMalls China Income Fund	73.05%	49,115	36,141	Expiring in August 2044	99,889
CapitaMall Hongqi, Xinxiang	Hongqi District, Xinxiang	CapitaMalls China Income Fund	45.00%	38,345	25,615	Expiring in November 2045	48,878

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 2012 (S$'000)
CapitaMall Jinniu, Chengdu	Jinniu District, Chengdu	CapitaMalls China Income Fund	45.00%	57,884	48,517	Expiring in October 2044	101,635
CapitaMall Jinniu, Chengdu (Phase II) *(under development to be completed in 2013)*	Jinniu District, Chengdu	CapitaMalls China Income Fund	45.00%	94,085	N.A.	Expiring in October 2044	114,436
CapitaMall Jinshui, Zhengzhou	Jinshui District, Zhengzhou	CapitaMalls China Incubator Fund	30.00%	55,451	36,180	Expiring in July 2045	108,618
CapitaMall Jiulongpo, Chongqing	Jiulongpo District, Chongqing	Directly held jointly with CapitaMalls China Income Fund	73.05%	43,167	38,915	Expiring in October 2042	55,667
CapitaMall Kunshan	Yushan Town, Kunshan	CapitaMalls China Income Fund	45.00%	39,595	27,517	Expiring in May 2045	51,011
CapitaMall Maoming	Maonan District, Maoming	Directly held jointly with CapitaMalls China Income Fund	73.05%	37,882	28,352	Expiring in November 2044	49,072
CapitaMall Meilicheng, Chengdu *(under development to be completed in 2013)*	Chenghua District, Chengdu	CapitaMalls China Development Fund III	50.00%	59,297	N.A.	Expiring in August 2044	126,074
CapitaMall Minzhongleyuan, Wuhan	Jianghan District, Wuhan	CapitaRetail China Trust	25.08%	38,631	22,653	Annex Building: Expiring in September 2045 Conserved Building: Master Lease expiring in June 2044	87,088
CapitaMall Nan'an, Yibin	Cuiping District, Yibin	CapitaMalls China Income Fund	45.00%	39,414	28,037	Expiring in May 2045	44,611
CapitaMall Peace Plaza, Dalian	Shahekou District, Dalian	CapitaMalls China Incubator Fund	30.00%	157,576	106,226	Expiring in November 2035	372,403
CapitaMall Qibao, Shanghai	Minhang District, Shanghai	CapitaRetail China Trust	25.08%	72,729	50,703	Master lease expiring in Jan 2024	81,463
CapitaMall Quanzhou	Licheng District, Quanzhou	CapitaMalls China Income Fund	45.00%	43,096	30,128	Expiring in February 2045	47,714
CapitaMall Rizhao	Donggang District, Rizhao	CapitaMalls China Incubator Fund	30.00%	70,898	42,325	Expiring in November 2043	105,708
CapitaMall Saihan, Huhhot	Saihan District, Huhhot	CapitaRetail China Trust	25.08%	41,938	29,982	Expiring in March 2041	62,455

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 2012 (S$'000)
CapitaMall Shapingba, Chongqing	Shapingba District, Chongqing	CapitaMalls China Incubator Fund	30.00%	41,877	26,912	Master Lease expiring in December 2023	18,971
CapitaMall Shawan, Chengdu	Jinniu District, Chengdu	CapitaMalls China Incubator Fund	30.00%	38,612	28,691	Commercial: Expiring in January 2046 Underground carpark: Expiring in January 2076	65,946
CapitaMall Shuangjing, Beijing	Chaoyang District, Beijing	CapitaRetail China Trust	25.08%	49,463	49,463	Expiring in July 2042	103,381
CapitaMall Taiyanggong, Beijing	Chaoyang District, Beijing	CapitaMalls China Development Fund II	45.00%	83,693	42,804	Expiring in August 2044	340,400
CapitaMall Taohualun, Yiyang	Heshan District, Yiyang	CapitaMalls China Income Fund	45.00%	34,895	23,225	Expiring in June 2045	40,732
CapitaMall Tianfu, Chengdu[a, b] *(under development, with mall to be completed in 2013)*	Gaoxin District, Chengdu	CapitaMalls China Development Fund III	50.00%	197,064	N.A.	Expiring in February 2048	308,202
CapitaMall Tiangongyuan, Beijing *(under development to be completed in 2015)*	Daxing District, Beijing	Directly Held	100.00%	122,000	N.A.	Expiring in January 2051	15,698
CapitaMall TianjinOne, Tianjin	Hexi District, Tianjin	CapitaMalls China Incubator Fund	30.00%	59,305	40,636	Expiring in September 2054	130,923
CapitaMall Wangjing, Beijing	Chaoyang District, Beijing	CapitaRetail China Trust	25.08%	68,010	55,567	Commercial: Expiring in May 2043 Underground car park: Expiring in May 2053	327,792
CapitaMall Weifang	Gaoxin District, Weifang	CapitaMalls China Income Fund	45.00%	43,446	36,943	Expiring in October 2044	53,921
CapitaMall Wuhu	Jinghu District, Wuhu	Joint venture between CapitaRetail China Trust and CapitaMalls China Income Fund	34.84%	45,634	35,792	Expiring in May 2044	44,223
CapitaMall Wusheng, Wuhan[d]	Qiaokou District, Wuhan	CapitaMalls China Development Fund II	45.00%	112,769	46,140	Expiring in June 2044	246,329

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 2012 (S$'000)
CapitaMall Xindicheng, Xi'an[a, d]	Yanta District, Xi'an	CapitaMalls China Development Fund II	45.00%	151,499	35,300	Expiring in December 2043	217,235
CapitaMall Xinduxin, Qingdao *(under development to be completed in 2015)*	Shibei District, Qingdao	Directly Held	100.00%	89,732	N.A.	Expiring in November 2051/ September 2052	8,099
CapitaMall Xizhimen, Beijing	Xicheng District, Beijing	CapitaRetail China Trust	25.08%	83,075	51,319	Underground commercial and retail use: Expiring in August 2044 Integrated use: Expiring in August 2054	475,008
CapitaMall Xuefu, Harbin	Nangang District, Harbin	CapitaMalls China Development Fund II	45.00%	95,000	56,571	Expiring in December 2045	203,658
CapitaMall Yangzhou	Weiyang District, Yangzhou	CapitaMalls China Income Fund	45.00%	52,536	36,594	Expiring in July 2039/April 2045	66,140
CapitaMall Yuhuating, Changsha	Yuhua District, Changsha	Directly held jointly with CapitaMalls China Income Fund	73.05%	62,080	47,253	Expiring in March 2044	91,743
CapitaMall Zhangzhou	Xiangcheng District, Zhangzhou	Directly held jointly with CapitaMalls China Income Fund	73.05%	42,725	30,659	Expiring in December 2043	56,636
CapitaMall Zhanjiang	Chikan District, Zhanjiang	CapitaMalls China Income Fund	45.00%	47,266	33,183	Expiring in December 2044	61,097
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	CapitaMalls China Income Fund	45.00%	44,840	32,808	Expiring in May 2055	57,412
CapitaMall Zibo	Zhangdian District, Zibo	CapitaMalls China Income Fund	45.00%	41,994	31,108	Expiring in March 2045	49,848
Hongkou Plaza, Shanghai[a]	Hongkou District, Shanghai	Joint Venture with CapitaMalls China Income Fund	72.50%	205,119	142,339	Expiring in September 2057	1,324,747
Luwan Integrated Development, Shanghai[a] *(under development, with mall to be completed in 2015)*	Luwan District, Shanghai	Joint Venture	66.00%	127,750	N.A.	Expiring in July 2056	550,652

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 2012 (S$'000)
Minhang Plaza, Shanghai[a]	Minhang District, Shanghai	Joint Venture with CapitaMalls China Incubator Fund	65.00%	146,843	110,543	Expiring in December 2053	663,731
Raffles City Beijing[a, d]	Dongcheng District, Beijing	Raffles City China Fund	15.00%	110,996	93,542	Retail: Expiring in April 2046 Integrated use and car park: Expiring in April 2056	651,706
Raffles City Changning, Shanghai[a] *(under development, with mall to be completed in 2016)*	Changning District, Shanghai	Joint Venture	17.10%	290,107	N.A.	Expiring in November 2055	1,153,868
Raffles City Chengdu [a, d, f]	Wuhou District, Chengdu	Raffles City China Fund	15.00%	240,930	115,242	Expiring in December 2045	679,248
Raffles City Chongqing[a, b, c, d] *(under development, with mall to be completed in 2017)*	Yuzhong District, Chongqing	Joint Venture	25.00%	817,000	N.A.	Commercial: Expiring in August 2052 Residential: Expiring in August 2082	514,993
Raffles City Hangzhou [a, c, d, e, f] *(under development, with mall to be completed in 2015)*	Qianjiang New City, Hangzhou	Raffles City China Fund	15.00%	300,894	N.A.	Expiring in March 2049	658,106
Raffles City Ningbo[a, f]	Jiangbei District, Ningbo	Raffles City China Fund	15.00%	101,131	65,094	Expiring in August 2047	393,933
Raffles City Shanghai[a]	Huangpu District, Shanghai	Raffles City China Fund	8.38%	139,593	119,295	Expiring in April 2045	1,248,714
Suzhou Integrated Development[a] *(under development, with mall to be completed in 2016)*	Suzhou Industrial Park, Suzhou	Joint Venture	50.00%	350,000	N.A.	Commercial: Expiring in January 2051 Underground Car Park: Expiring in January 2051	302,966

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 2012 (S$'000)
East Coast Mall[2]	Putra Square, Kuantan	CapitaMalls Malaysia Trust	35.88%	60,758	41,203	99 years, expiring in December 2106	139,841
Gurney Plaza	Persiaran Gurney, Penang	CapitaMalls Malaysia Trust	35.88%	113,965	81,978	Freehold	470,410
Melawati site	Bandar Ulu Kelang, Daerah Gombak, Selangor	Joint Venture	50.00%	90,694	N.A.	Freehold	2,596
Queensbay Mall *(approximately 91.8% of aggregate retail floor area and 100% of the car park bays)*	Bayan Lepas, Penang	Held through subsidiaries and an asset-backed securitisation structure	100.00%	86,115	82,580	Freehold	294,507
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	35.88%	47,483	41,646	Freehold	328,165
The Mines	Jalan Dulang, Selangor	CapitaMalls Malaysia Trust	35.88%	116,787	66,771	99 years, expiring in March 2091	238,010

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 2012 (S$'000)
Chitose Mall	Chitose-shi, Hokkaido	CapitaMalls Japan Fund Pte. Ltd.	26.29%	26,336	15,121	Freehold	18,872
Coop Kobe Nishinomiya-Higashi	Nishinomiya-shi, Hyogo	Direct Held	100.00%	7,970	7,970	Freehold	44,877
Ito Yokado Eniwa	Eniwa-shi, Hokkaido	CapitaMalls Japan Fund Pte. Ltd.	26.29%	14,843	14,843	Freehold	28,680
Izumiya Hirakata	Hirakata-shi, Osaka	Direct Held	100.00%	20,044	20,044	Freehold	94,807
La Park Mizue	Mizue, Edogawa-ku, Tokyo	Direct Held	100.00%	18,914	18,430	Freehold	98,225
Narashino Shopping Centre	Funabashi-shi, Chiba	CapitaMalls Japan Fund Pte. Ltd.	26.29%	12,783	10,737	Freehold	47,849
Olinas Mall	Taihei Sumidaku, Tokyo	Directly Held	100.00%	54,146	35,400	Freehold	347,724
Vivit Minami-Funabashi	Funabashi-shi, Chiba	CapitaMalls Japan Fund Pte. Ltd.	26.29%	69,444	50,055	Freehold	267,480

Portfolio Details

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 2012 (S$'000)
Cochin Mall[a, c, 3] *(under development to be completed in 2016)*	Ernakulam District, Cochin	CapitaMalls India Development Fund	11.36%	99,406	N.A.	Freehold	41,715
Forum Value Mall, Bangalore[d]	Whitefield, Bangalore	CapitaMalls India Development Fund	15.91%	46,983	27,059	Freehold	77,420
Graphite India, Bangalore[a] *(under development to be completed in 2015)*	Whitefield, Bangalore	CapitaMalls India Development Fund	22.27%	97,732	N.A.	Freehold	56,852
Hyderabad Mall *(under development to be completed in 2014)*	Kukatpally, Hyderabad	CapitaMalls India Development Fund	11.14%	80,387	N.A.	Freehold	80,626
Jalandhar Mall *(under development to be completed in 2015)*	Paragpur Village, Jalandhar	CapitaMalls India Development Fund	29.55%	57,043	N.A.	Freehold	29,116
Mangalore Mall *(under development to be completed in 2013)*	Pandeshwar Road, Mangalore	CapitaMalls India Development Fund	15.15%	63,814	N.A.	Freehold	58,566
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	18,231
Nagpur Mall[a, c] *(under development to be completed in 2016)*	Umrer Road, Nagpur	CapitaMalls India Development Fund	29.55%	94,761	N.A.	Freehold	40,580
The Celebration Mall, Udaipur	Bhuwana Phase-II Scheme, National Highway 8, Udaipur	CapitaMalls India Development Fund	45.45%	36,398	32,727	99 years, expiring in May 2103	41,760

Footnotes
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

1 Based on valuation adopted as at 31 December 2012.
2 Including the car park GFA the total GFA is 92,615 sqm.
3 Held through a combination of equity and debentures.

Other Notes
The total book value of properties held by our subsidiaries (where effective stake is more than 50.00%) is S$2,113.9 million, representing 32.6% 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 2012.

Statutory Accounts

Financial Contents

Directors' Report

Year ended 31 December 2012

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2012.

DIRECTORS

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

Liew Mun Leong
Lim Ming Yan (appointed on 25 October 2012)
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 31 to the financial statements.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 31 December 2012 are set out in the Group's income statement on page 115 of the financial statements.

The Directors recommend the payment of a final dividend of S$0.01625 per share which, together with the interim dividend of S$0.01625 per share paid on 13 September 2012 makes a total dividend of S$0.0325 per share for the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2012 amounted to approximately $137,160,000.

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 of the financial year, or date of appointment if later, or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and/or infant children) in shares, debentures, options and awards in the Company and its related corporations (other than wholly-owned subsidiaries) are as follows:

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year/date of appointment	**At end of the year**
The Company			
Ordinary shares			
Liew Mun Leong		456,540	516,859
Lim Ming Yan		96,864	96,864
Chua Kheng Yeng Jennie		159,800	178,600
Lim Tse Ghow Olivier		888,000	924,246
Sunil Tissa Amarasuriya		31,850	63,635
Tan Sri Amirsham A Aziz		–	6,139
Dr Loo Choon Yong		783,200	820,036
Arfat Pannir Selvam		60,400	89,397
Professor Tan Kong Yam		6,650	38,429
Yap Chee Keong		33,250	70,720
Lim Beng Chee		251,000	328,333
Contingent award of Performance shares[1] to be delivered after 2014			
Lim Beng Chee	(237,000 shares)	–	0 to 414,750[3]
Contingent award of Performance shares[1] to be delivered after 2013			
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 2012			
Lim Beng Chee	(197,700 shares)	0 to 395,400[3]	0 to 395,400[3]
Contingent award of Restricted shares[2] to be delivered after 2012			
Lim Beng Chee	(120,000 shares)	–	0 to 180,000[4]
Unvested Restricted shares[2] to be delivered after 2011			
Lim Beng Chee	(100,000 shares)	0 to 150,000[4]	80,667[7]

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
The Company (cont'd)		
Unvested Restricted shares[2] to be delivered after 2010		
Liew Mun Leong	14,540[5]	–
Chua Kheng Yeng Jennie	3,800[5]	–
Lim Tse Ghow Olivier	8,000[5]	–
Sunil Tissa Amarasuriya	6,850[5]	–
Dr Loo Choon Yong	8,200[5]	–
Arfat Pannir Selvam	6,400[5]	–
Professor Tan Kong Yam	6,650[5]	–
Yap Chee Keong	8,250[5]	–
Lim Beng Chee	74,000[7]	37,000[6]
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	$2,000,000
Holding Company, CapitaLand Limited		
Ordinary shares		
Liew Mun Leong	3,571,915	2,791,563[9]
Lim Ming Yan	1,200,923	1,200,923
Chua Kheng Yeng Jennie	975,660	1,058,113[9]
Lim Tse Ghow Olivier	246,521	342,489
Dr Loo Choon Yong	45,000	45,000
Arfat Pannir Selvam	201,039	231,014
Lim Beng Chee	683,087	720,703
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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year/date of appointment	At end of the year
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]	–¶
Chua Kheng Yeng Jennie	(123,419 shares)	0 to 246,838[3]	–¶
Lim Tse Ghow Olivier	(148,103 shares)	0 to 296,206[3]	–¶
Lim Beng Chee	(148,103 shares)	0 to 296,206[3]	–¶

¶ *No share was released under the 2009 award*

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]
Lim Ming Yan	(152,437 shares)	0 to 304,874[3]	0 to 304,874[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]	0 to 718,400[3]
Lim Ming Yan	(143,700 shares)	0 to 287,400[3]	0 to 287,400[3]
Chua Kheng Yeng Jennie	(119,700 shares)	0 to 239,400[3]	0 to 239,400[3]
Lim Tse Ghow Olivier	(143,700 shares)	0 to 287,400[3]	0 to 287,400[3]
Contingent award of Performance shares[1] to be delivered after 2014			
Liew Mun Leong	(359,000 shares)	–	0 to 628,250[3]
Lim Ming Yan	(144,000 shares)	0 to 252,000[3]	0 to 252,000[3]
Lim Tse Ghow Olivier	(144,000 shares)	–	0 to 252,000[3]
Unvested Restricted shares[2] to be delivered after 2009			
Liew Mun Leong		85,980[6]	–
Chua Kheng Yeng Jennie		32,243[6]	–
Lim Tse Ghow Olivier		37,616[6]	–
Lim Beng Chee		37,616[6]	–
Unvested Restricted shares[2] to be delivered after 2010			
Liew Mun Leong		151,896[7]	75,949[6]
Lim Ming Yan		33,156[6]	33,156[6]
Chua Kheng Yeng Jennie		57,058[7]	28,530[6]
Lim Tse Ghow Olivier		66,310[7]	33,156[6]
Arfat Pannir Selvam		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/date of appointment	At end of the year
Holding Company, CapitaLand Limited (cont'd)			
Unvested Restricted shares[2] to be delivered after 2011			
Liew Mun Leong		0 to 295,500[4]	115,442[7]
Lim Ming Yan		50,396[7]	50,396[7]
Chua Kheng Yeng Jennie		0 to 111,000[4]	43,364[7]
Lim Tse Ghow Olivier		0 to 129,000[4]	50,396[7]
Contingent award of Restricted shares[2] to be delivered after 2012			
Liew Mun Leong	(197,000 shares)	–	0 to 295,500[4]
Lim Ming Yan	(110,000 shares)	0 to 165,000[4]	0 to 165,000[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	$3,500,000
Lim Ming Yan		$500,000	$500,000
$1.2 billion Convertible Bonds 2.875% due 2016			
Lim Ming Yan		$1,000,000	$1,000,000
Associates			
CapitaMall Trust ("CMT")			
Liew Mun Leong		1,903,798	1,915,556
Lim Ming Yan		868,000	868,000
Chua Kheng Yeng Jennie		270,000	270,000
Lim Tse Ghow Olivier		–	7,582
Lim Beng Chee		140,600	148,259
CapitaRetail China Trust ("CRCT")			
Liew Mun Leong		129,000	343,744
Lim Ming Yan		163,000	163,000
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	299,864

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
Associates (cont'd)		
CapitaMalls Malaysia Trust ("CMMT")		
Lim Beng Chee	100,000	100,000
Related Corporations:		
The Ascott Capital Pte Ltd		
$200 million 4.38% Fixed Rate Notes due 2012		
Liew Mun Leong	$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/Share 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 released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012 onwards, the maximum will be 175% of the baseline award.*

4 *The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of two to three years. No 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 *On 21 January 2012, Liew Mun Leong's holdings in the $75 million 1.00% Bonds due in 2012 was fully redeemed by the issuer, CapitaMalls Asia Treasury Limited.*

9 *Liew Mun Leong and Chua Kheng Yeng Jennie's shareholdings in CapitaLand Limited had reduced from 2,791,563 and 1,058,113 to 1,791,563 and 958,113 respectively as at 21 January 2013.*

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 2013.

DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, the directors' interests in contracts relate to transactions amounting to $496,000 and $1,137,000 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;

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' remuneration is disclosed in Note 23 (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).

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.

SHARE PLANS (CONT'D)

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

- **Participants of the Share Plans**

  In respect of the Share Plans, 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

  – 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. An initial number of shares ("baseline award") is allocated equally according to the following performance conditions:

- Group's Absolute Total Shareholder Return measured as a multiple of Cost of Equity; and

- Group's Relative Total Shareholder Return measured as the outperformance against the MSCI All Countries Asia excluding Japan Real Estate Index.

The above performance measures are selected as key measurements of wealth creation for shareholders. 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 released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012 onwards, the maximum will be 175% of the baseline award.

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

	Balance as at 1 January 2012		Movements during the year		Balance as at 31 December 2012	
Year of Award	No. of holders	No. of shares	Granted No. of shares	Lapsed/ Cancelled No. of shares	No. of holders	No. of shares
2010	20	871,700	–	(95,000)	18	776,700
2011	29	1,286,700	–	(136,000)	26	1,150,700
2012	–	–	1,769,000	(49,000)	29	1,720,000
		2,158,400	1,769,000	(280,000)		3,647,400

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. An initial number of shares ("baseline award") is allocated equally according to the following performance conditions:

- Group's Earnings Before Interest and Tax; and
- Group's Return on Total Assets.

The above performance measures are selected as they are the key drivers of shareholder value and are aligned to the Company's business objectives. The final number of shares 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. With effect from 2012, the cash-settled award plan for non-managerial grade employees has been replaced by a Restricted Cash Plan ("RCP"). Under the RCP, cash bonus is distributed to eligible employees at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

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 non-executive directors.

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

	Balance as at 1 January 2012		Movements during the year			Balance as at 31 December 2012	
Year of Award	No. of holders	No. of shares	Granted No. of shares	Released# No. of shares	Lapsed/ Cancelled No. of shares	No. of holders	No. of shares
2010	716	2,778,529	–	(1,390,644)	(155,546)	667	1,232,339
2011	934	5,208,345	1,056,139	(2,028,091)	(459,085)	847	3,777,308
2012	–	–	6,328,400	–	(403,610)	701	5,924,790
		7,986,874	7,384,539	(3,418,735)	(1,018,241)		10,934,437

The number of shares released during the year was 3,418,735, of which 995,898 were cash-settled.

As at 31 December 2012, the number of shares comprised in awards granted under the Company's Restricted Stock Plan is as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award)*	4,931,990	992,800	5,924,790
Final number of shares determined but not released	3,527,305	1,482,342	5,009,647
	8,459,295	2,475,142	10,934,437

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

During the financial year, the aggregate number of new shares issued pursuant to the Share Plans shall not exceed 8% of the issued share capital of the Company.

SHARE PLANS (CONT'D)

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

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

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

During the financial year ended 31 December 2012, 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 2012.

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 30.08% of our annual revenue in 2012. 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 1.01% of the Group's annual revenue in 2012. 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 2012 was less than 30%.

RETAIL BONDS AND SENIOR NOTES

During the year ended 31 December 2012, the Group's wholly-owned subsidiary, CapitaMalls Asia Treasury Limited issued a 10-year callable step-up retail bond with an aggregate notional amount of $400.0 million with maturity date on 12 January 2022. The Group further issued $250.0 million of fixed rate notes under the $2.0 billion Euro-Medium Term Note Programme established in 2010 which are due on 29 August 2022. The issuance of the retail bond and fixed rate notes 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 were used for the purpose of financing the investments and general corporate purposes of the Group.

During the year ended 31 December 2012, the Group's wholly-owned subsidiaries, CapitaRetail IH Tokutei Mokuteki Kaisha and CapitaRetail LPM Tokutei Mokuteki Kaisha issued bank bonds of $17.7 million with maturity dates on 21 December 2020. The proceed was used to partially fund the acquisition of the properties in Japan.

COMMUNITY RELATIONS

During the year, 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 Singapore Companies Act, the Listing Manual of the SGX-ST, and the Singapore Code of Corporate Governance as well as 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 Singapore Companies 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.

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.

AUDIT COMMITTEE (CONT'D)

The Audit Committee met four times in 2012. The Audit Committee had also undertaken a trip to China in December 2012, visiting malls as well as meeting key personnel. 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.

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

27 February 2013

Statement by Directors

Year ended 31 December 2012

In our opinion:

(a) the financial statements set out on pages 114 to 199 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and the results and changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date 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

27 February 2013

Independent Auditors' Report

Members of the Company
CapitaMalls Asia Limited

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 2012, 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 114 to 199.

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 "Singapore Companies Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

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

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

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

Independent Auditors' Report

Members of the Company
CapitaMalls Asia Limited

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 Singapore Companies Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and the results and changes in equity of the Group and 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 Singapore Companies 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 Singapore Companies Act.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

SINGAPORE
27 February 2013

Statements of Financial Position
As at 31 December 2012

		GROUP		COMPANY	
		2012	2011	2012	2011
	Note	$'000	$'000	$'000	$'000
Non-Current Assets					
Plant and Equipment	3	**17,019**	16,196	**5,842**	5,355
Investment Properties	4	**1,565,789**	618,988	**–**	–
Properties under Development	5	**548,141**	1,060,102	**–**	–
Subsidiaries	6	**–**	–	**3,411,197**	3,337,277
Associates	7	**3,671,971**	3,521,066	**–**	–
Jointly-Controlled Entities	8	**2,335,326**	1,136,861	**–**	–
Other Investments	9	**441,306**	425,622	**–**	–
Other Assets	10	**143,384**	97,045	**–**	2
		8,722,936	6,875,880	**3,417,039**	3,342,634
Current Assets					
Development Properties for Sale		**–**	8,827	**–**	–
Trade and Other Receivables	11	**533,047**	217,862	**1,464,894**	1,662,708
Cash and Cash Equivalents	12	**675,351**	975,479	**1,071**	1,069
		1,208,398	1,202,168	**1,465,965**	1,663,777
Total Assets		**9,931,334**	8,078,048	**4,883,004**	5,006,411
Equity Attributable to Owners of the Company					
Share Capital	13	**4,612,590**	4,607,514	**4,612,590**	4,607,514
Reserves	14	**1,877,757**	1,619,477	**171,810**	119,290
		6,490,347	6,226,991	**4,784,400**	4,726,804
Non-Controlling Interests		**247,614**	250,134	**–**	–
Total Equity		**6,737,961**	6,477,125	**4,784,400**	4,726,804
Non-Current Liabilities					
Loans and Borrowings	15	**2,705,490**	990,805	**–**	–
Deferred Tax Liabilities	16	**88,563**	85,021	**341**	450
Other Non-Current Liabilities	17	**93,982**	21,579	**4,372**	440
		2,888,035	1,097,405	**4,713**	890
Current Liabilities					
Trade and Other Payables	18	**240,890**	213,132	**89,903**	277,972
Loans and Borrowings	15	**8,922**	238,938	**–**	–
Current Tax Payable		**55,526**	51,448	**3,988**	745
		305,338	503,518	**93,891**	278,717
Total Liabilities		**3,193,373**	1,600,923	**98,604**	279,607
Total Equity and Liabilities		**9,931,334**	8,078,048	**4,883,004**	5,006,411
Net Current Assets		**903,060**	698,650	**1,372,074**	1,385,060
Total Assets less Current Liabilities		**9,625,996**	7,574,530	**4,789,113**	4,727,694

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

Income Statements
Year ended 31 December 2012

	Note	GROUP		COMPANY	
		2012	2011	2012	2011
		$'000	$'000	$'000	$'000
Revenue	20	**361,178**	246,173	**355,362**	310,597
Cost of Sales		**(140,389)**	(104,204)	**(42,769)**	(33,516)
Gross Profit		**220,789**	141,969	**312,593**	277,081
Other Operating Income	21	**214,677**	252,057	**2,793**	2,250
Administrative Expenses		**(151,388)**	(140,401)	**(81,239)**	(79,952)
Other Operating Expenses		**(4,277)**	(699)	**(62,889)**	(99,695)
Finance Costs	22	**(69,715)**	(33,312)	**–**	–
Share of Results (net of taxation) of:					
– Associates		**298,047**	195,300	**–**	–
– Jointly-Controlled Entities		**108,454**	153,645	**–**	–
Profit before Taxation	23	**616,587**	568,559	**171,258**	99,684
Taxation	24	**(57,739)**	(74,341)	**(3,378)**	(792)
Profit for the Year		**558,848**	494,218	**167,880**	98,892
Attributable to:					
Owners of the Company		**546,018**	456,008	**167,880**	98,892
Non-Controlling Interests		**12,830**	38,210	**–**	–
Profit for the Year		**558,848**	494,218	**167,880**	98,892

Earnings per share			
Basic Earnings per share (cents)	25	**14.0**	11.7
Diluted Earnings per share (cents)	25	**14.0**	11.7

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

Statements of Comprehensive Income

Year ended 31 December 2012

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Profit for the Year	**558,848**	494,218	**167,880**	98,892
Other Comprehensive Income				
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	**(148,075)**	21,294	**–**	–
Realisation of translation differences upon disposal of subsidiaries to profit or loss	**(3,167)**	–	**–**	–
Change in fair value of available-for-sale investments	**21,832**	46,403	**–**	–
Effective portion of change in fair value of cash flow hedges	**(8,489)**	151	**–**	–
Share of other comprehensive income of associates and jointly-controlled entities	**(50,754)**	16,182	**–**	–
Total Comprehensive Income for the Year*	**370,195**	578,248	**167,880**	98,892
Total comprehensive income attributable to:				
Owners of the Company	**374,019**	530,156	**167,880**	98,892
Non-Controlling Interests	**(3,824)**	48,092	**–**	–
Total Comprehensive Income for the Year	**370,195**	578,248	**167,880**	98,892

* *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 2012

	Share capital	Capital reserve	Equity compen-sation reserve	Fair value reserve	Foreign currency translation reserve	Hedging reserve	Accumu-lated profits	Other reserves	Total attributable to owners of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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 translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	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
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 movement in capital reserve of associates	–	(2,216)	–	–	–	–	–	–	(2,216)	–	(2,216)
Tax-exempt (one-tier) dividends paid to shareholders[1]	–	–	–	–	–	–	(135,978)	–	(135,978)	–	(135,978)
Tax-exempt (one-tier) 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 (final) and for the financial year 2011 of $0.015 per share (interim).*

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

Consolidated Statements of Changes in Equity

Year ended 31 December 2012

	Share capital $'000	Capital reserve $'000	Equity compen-sation reserve $'000	Fair value reserve $'000	Foreign 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 2012	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
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	546,018	–	546,018	12,830	558,848
Other comprehensive income											
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	(131,421)	–	–	–	(131,421)	(16,654)	(148,075)
Realisation of translation differences upon disposal of subsidiaries to profit or loss	–	–	–	–	(3,167)	–	–	–	(3,167)	–	(3,167)
Change in fair value of available-for-sale investments	–	–	–	21,832	–	–	–	–	21,832	–	21,832
Effective portion of change in fair value of cash flow hedges	–	–	–	–	–	(8,489)	–	–	(8,489)	–	(8,489)
Share of other comprehensive income of associates and jointly-controlled entities	–	–	–	–	(43,389)	(7,365)	–	–	(50,754)	–	(50,754)
Total other comprehensive income	–	–	–	21,832	(177,977)	(15,854)	–	–	(171,999)	(16,654)	(188,653)
Total comprehensive income for the year 2012	–	–	–	21,832	(177,977)	(15,854)	546,018	–	374,019	(3,824)	370,195
Transactions with owners, recorded directly in equity											
Issue of shares	5,076	–	(4,728)	–	–	–	–	–	348	–	348
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	–	–	1,524	1,524
Share of movement in capital reserve of associates	–	(2,827)	–	–	–	–	1,277	–	(1,550)	–	(1,550)
Tax-exempt (one-tier) dividends paid to shareholders[2]	–	–	–	–	–	–	(121,488)	–	(121,488)	–	(121,488)
Tax-exempt (one-tier) dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(220)	(220)
Share-based payments	–	(198)	12,225	–	–	–	–	–	12,027	–	12,027
Total contributions by and distributions to owners	5,076	(3,025)	7,497	–	–	–	(120,211)	–	(110,663)	1,304	(109,359)
Transfer between reserves	–	99	–	–	–	–	(99)	–	–	–	–
At 31 December 2012	4,612,590	14,144	14,512	104,052	(258,356)	(19,420)	2,050,446	(27,621)	6,490,347	247,614	6,737,961

[2] *Dividends were declared and paid for the financial year 2011 of $0.015 per share (final) and for the financial year 2012 of $0.01625 per share (interim).*

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

Statements of Changes in Equity

Year ended 31 December 2012

	Share capital $'000	Capital reserve $'000	Equity compensation reserve $'000	Accu-mulated 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
Tax-exempt (one-tier) 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
At 1 January 2012	4,607,514	22,405	6,117	90,768	4,726,804
Total comprehensive income for the year					
Profit for the year	–	–	–	167,880	167,880
Transactions with owners, recorded directly in equity					
Issue of shares	5,076	–	(4,227)	–	849
Tax-exempt (one-tier) dividends paid[2]	–	–	–	(121,488)	(121,488)
Share-based payments	–	(125)	10,480	–	10,355
Total transactions with owners	5,076	(125)	6,253	(121,488)	(110,284)
At 31 December 2012	4,612,590	22,280	12,370	137,160	4,784,400

[1] *Dividends were declared and paid for the financial year 2010 of $0.02 per share (final) and for financial year 2011 of $0.015 per share (interim).*

[2] *Dividends were declared and paid for the financial year 2011 of $0.015 per share (final) and for financial year 2012 of $0.01625 per share (interim).*

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

Consolidated Statements of Cash Flows
Year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Cash Flows from Operating Activities			
Profit after Taxation		**558,848**	494,218
Adjustments for:			
Depreciation of plant and equipment		**8,110**	6,826
Loss on disposal/write-off of plant and equipment		**192**	64
Net fair value gain of investment properties and properties under development		**(84,830)**	(200,934)
Management fees received in units		**(12,659)**	(17,333)
Payment of directors' fees by way of units in associates		**242**	–
Interest expense		**69,715**	33,312
Interest income		**(34,685)**	(23,591)
Share of results of associates and jointly-controlled entities, net of tax		**(406,501)**	(348,945)
Gain on disposal of subsidiaries		**(80,900)**	–
Gain on disposal/dilution of associates		**(11,942)**	(14,789)
Share-based payment expenses		**14,504**	8,343
Taxation		**57,739**	74,341
		77,833	11,512
Changes in working capital:			
Trade and other receivables		**(64,815)**	2,233
Trade and other payables (including security deposits)		**32,895**	27,644
Cash generated from Operations		**45,913**	41,389
Income tax paid		**(20,133)**	(33,463)
Net Cash Flows generated from Operating Activities		**25,780**	7,926
Cash Flows from Investing Activities			
Interest income received		**3,936**	6,226
Dividends received from associates and jointly-controlled entities		**224,231**	332,146
Proceeds from disposal of plant and equipment		**58**	7
Proceeds from divestment of associates		**–**	9,440
Loans and advances (to)/from associates and jointly-controlled entities		**(910,012)**	60,865
Acquisition of subsidiaries, net of cash acquired	26 (a)	**(68,256)**	(247,263)
Liquidation of subsidiaries, net of cash received		**–**	(8)
Disposal of subsidiaries, net of cash disposed	26 (b)	**165,272**	–
Investment in associates and jointly-controlled entities		**(370,283)**	(288,838)
Investment in available-for-sale investments		**(6,376)**	(135,857)
Advances to investee companies		**(630)**	(56,052)
Additions to investment properties and properties under development		**(470,159)**	(376,361)
Deposits and prepayments to acquire investment properties and properties under development		**(124,794)**	(13,441)
Purchase of plant and equipment		**(9,441)**	(9,885)
Net Cash Flows used in Investing Activities		**(1,566,454)**	(719,021)

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

Consolidated Statements of Cash Flows
Year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Cash Flows from Financing Activities			
Loans advances from non-controlling interests		**8,734**	9,157
Capital contributions from non-controlling interests		**1,524**	–
Proceeds from bank borrowings, net of transaction costs		**1,247,159**	260,000
Proceeds from issue of debt securities, net of transaction costs		**658,043**	283,458
Repayment of loan to former non-controlling interests		**–**	(271)
Repayment of bank borrowings		**(400,465)**	(12,017)
Repayment of debt securities		**(75,000)**	–
Dividends paid		**(121,488)**	(135,978)
Dividends paid to non-controlling interests		**(220)**	(26)
Interest expense paid		**(53,556)**	(31,585)
Net Cash Flows Generated from Financing Activities		**1,264,731**	372,738
Net decrease in cash and cash equivalents		**(275,943)**	(338,357)
Cash and cash equivalents at beginning of the year		**975,479**	1,318,312
Effect of exchange rate changes on cash balances held in foreign currencies		**(24,185)**	(4,476)
Cash and cash equivalents at 31 December	12	**675,351**	975,479

Significant non-cash transactions

There were the following significant non-cash transactions:

(i) During 2012, a subsidiary received 3,079,738 units in CapitaRetail China Trust ("CRCT"), amounting to a fair value of $3.9 million as payment of Manager's fees for the period from 1 October 2011 to 30 September 2012.

(ii) During 2012, a subsidiary received 3,003,919 units in CapitaMall Trust ("CMT"), amounting to a fair value of $5.5 million as payment of Manager's fees for the period from 1 October 2011 to 30 September 2012.

(iii) During 2012, a subsidiary received 5,386,100 units in CapitaMalls Malaysia Trust ("CMMT"), amounting to a fair value of $3.2 million as payment of Manager's fees for the period from 1 July 2011 to 30 June 2012 and fees for acquisition of a shopping mall during the year.

(iv) During 2011, a subsidiary received 3,618,997 units in 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.

(v) During 2011, a subsidiary received 4,493,040 units in 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 divestment of a shopping mall during the year.

(vi) During 2011, a subsidiary received 5,889,100 units in 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.

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 27 February 2013.

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 those of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 31 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 have been 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 judgements

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

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

Notes to the Financial Statements

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

2.1 Basis of preparation (Cont'd)

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

Information about critical judgements 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 16 – Utilisation of tax losses

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

Note 4 – Fair value determination of investment properties

Note 5 – Fair value determination of properties under development

Note 11 – Recoverability of loans and receivables

Note 29 – Fair value determination of financial instruments

(e) Changes in accounting policy

During the year, the Group applied the amendments to *FRS 12 Income Tax- Deferred Tax: Recovery of Underlying Assets*, which became effective as of 1 January 2012. The amendments apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under *FRS 40 Investment Property*. For the purposes of measuring deferred tax, the amendments introduce a rebuttable presumption that the carrying amount of such investment property will be recovered entirely through sale. The adoption of amendments to FRS 12 does not have any significant impact on the financial position or performance of the Group.

2.2 Significant accounting policies

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

(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.

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

2.2 Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Business combinations (Cont'd)

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

For non-controlling interests that are present ownership interests 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. 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Upon the loss of control, 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.

(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. A 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.

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

2.2 Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(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 includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is 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. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidary.

(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 equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Accounting for subsidiaries and equity-accounted investees by the Company

Investments in subsidiaries and equity-accounted investees are stated in the Company's statement of financial position at cost less accumulated impairment losses.

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

2.2 Significant accounting policies (Cont'd)

(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 end of the reporting period are retranslated to the functional currency at the exchange rate at that reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. 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) below), or qualifying cash flow hedges to the extent such hedges are effective, 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 end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing at the dates of the transactions. 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 off such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes off only part of its investment in an associate or 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.

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

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

2.2 Significant accounting policies (Cont'd)

(b) Foreign currencies (Cont'd)

(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 off, 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 if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised from the date that the plant and equipment are installed and are ready to use. 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 at each reporting date, and adjusted if necessary.

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

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

2.2 Significant accounting policies (Cont'd)

(d) Investment properties and properties under development (Cont'd)

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 assets

Non-derivative financial assets comprise available-for-sale investments, trade and other receivables and cash and cash equivalents.

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

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset.

Available-for-sale financial assets

The Group's investments in equity securities are classified as 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 (see Note 2.2 (b)), 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.

Loans and receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

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

2.2 Significant accounting policies (Cont'd)

(e) Financial instruments (Cont'd)

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

(iii) Derivative financial instruments and hedging activities

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

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

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

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

2.2 Significant accounting policies (Cont'd)

(e) Financial instruments (Cont'd)

(iii) Derivative financial instruments and hedging activities (Cont'd)

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to 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 profit or loss.

Separable embedded derivatives

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

(iv) Financial guarantees

Financial guarantee contracts are classified as financial liabilities unless the Group or the Company has previously asserted explicitly that it regards such contracts as insurance contracts and accounted for them as such.

Financial guarantees classified as financial liabilities

Such financial guarantees are recognised initially at fair value and 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.

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

2.2 Significant accounting policies (Cont'd)

(e) Financial instruments (Cont'd)

(iv) Financial guarantees (Cont'd)

Financial guarantees classified as insurance contracts

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Group's or the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period.

The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

(v) Impairment of financial assets

A financial asset 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 a loss event has occured after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

All individually significant financial assets are assessed for specific impairment on an individual basis. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. The remaining financial assets that are not individually significant are collectively assessed for impairment by grouping together such instruments with similar risk characteristics.

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

Impairment losses on available-for-sale financial asset are recognised by reclassifying the losses accumulated in the fair value 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. Any subsequent recovery in the fair value of an impaired avaliable-for-sale equity security is recognised in other comprehensive income.

Notes to the Financial Statements

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

2.2 Significant accounting policies (Cont'd)

(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 CGUs.

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 equity-accounted investee 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.

(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.

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

2.2 Significant accounting policies (Cont'd)

(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 in the period during which the related services are rendered by employees.

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

The proceeds received from the exercise of the equity instruments, net of any directly attributable transaction costs, are credited to share capital when the equity instruments are exercised.

(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. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

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

2.2 Significant accounting policies (Cont'd)

(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 and related income

Rental and related 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.

Development properties for sale

The Group recognises income on property development projects when the significant risks and rewards of ownership have been transferred to the purchasers. For development projects under progressive payment scheme in Singapore, whereby the legal terms in the sale contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into profit or loss only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project. For development projects under deferred payment scheme in Singapore and overseas development projects, the construction revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

Revenue excludes goods and services or other sale taxes and is after deduction of any trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of unit sold.

Dividends

Dividend income is recognised on the date that the Group's right to receive payment is established.

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

2.2 Significant accounting policies (Cont'd)

(l) Revenue recognition (Cont'd)

Interest income

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

(m) 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.

(n) Taxation

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and equity accounted investees to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to 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.

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

2.2 Significant accounting policies (Cont'd)

(n) Taxation (Cont'd)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(o) 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.

(p) Segment reporting

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

(q) 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 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
At 1 January 2012	6,769	33	125	34,546	41,473
Additions	1,334	115	–	7,992	9,441
Acquisition of subsidiaries	–	–	–	263	263
Disposals/write-offs	(440)	–	–	(1,654)	(2,094)
Translation differences on consolidation	(187)	(2)	(5)	(717)	(911)
At 31 December 2012	7,476	146	120	40,430	48,172
Accumulated depreciation					
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
At 1 January 2012	3,677	18	94	21,488	25,277
Depreciation charge for the year	1,365	60	14	6,671	8,110
Acquisition of subsidiaries	–	–	–	227	227
Disposals/write-offs	(440)	–	–	(1,404)	(1,844)
Translation differences on consolidation	(110)	(3)	(5)	(499)	(617)
At 31 December 2012	4,492	75	103	26,483	31,153
Carrying amounts					
At 1 January 2011	2,040	20	43	11,094	13,197
At 31 December 2011	3,092	15	31	13,058	16,196
At 31 December 2012	2,984	71	17	13,947	17,019

3. PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and equipment $'000
Company	
Cost	
At 1 January 2011	13,610
Additions	3,504
Disposals/write-offs	(220)
At 31 December 2011	16,894
At 1 January 2012	16,894
Additions	2,948
Disposals	(139)
At 31 December 2012	19,703
Accumulated depreciation	
At 1 January 2011	9,318
Depreciation charge for the year	2,439
Disposals/write-offs	(218)
At 31 December 2011	11,539
At 1 January 2012	11,539
Depreciation charge for the year	2,457
Disposals	(135)
At 31 December 2012	13,861
Carrying amounts	
At 1 January 2011	4,292
At 31 December 2011	5,355
At 31 December 2012	5,842

4. INVESTMENT PROPERTIES

		GROUP	
	Note	2012 $'000	2011 $'000
At 1 January		**618,988**	304,429
Acquisitions of subsidiaries		**217,404**	–
Additions		**368,747**	275,303
Reclassification from properties under development	5	**338,231**	–
Changes in fair value		**82,146**	36,514
Translation differences on consolidation		**(59,727)**	2,742
At 31 December		**1,565,789**	618,988

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 reporting 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 2012	31 December 2011
PPC International Sdn Bhd	31 December 2012	31 December 2011
CB Richard Ellis (Pte) Ltd	31 December 2012	31 December 2011
DTZ Debenham Tie Leung	31 December 2012	–
Tanizawa Sogo Appraisal Co., Ltd.	31 December 2012	–

(b) Investment properties comprise retail properties that are held mainly for use by tenants under operating leases. Most leases contain an initial non-cancellable period of one to fifteen years.

(c) Contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss during the year amounted to $5.7 million (2011: $3.5 million).

(d) At 31 December 2012, certain investment properties with carrying value totalling approximately $1,186.1 million (2011: $617.5 million) were mortgaged to banks either to secure credit facilities or for the issuance of notes for the Group (Note 15).

5. PROPERTIES UNDER DEVELOPMENT

	Note	GROUP 2012 $'000	GROUP 2011 $'000
At 1 January		**1,060,102**	288,848
Acquisitions of subsidiaries		**–**	428,255
Disposal of subsidiaries		**(249,446)**	–
Additions		**96,454**	147,666
Reclassification to investment properties	4	**(338,231)**	–
Changes in fair value		**2,684**	164,420
Translation differences on consolidation		**(23,422)**	30,913
At 31 December		**548,141**	1,060,102

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 2012 and 2011. The valuer has considered valuation techniques including the residual land method, in arriving at the market value as at 31 December 2012 and 2011.

In the residual land 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 2012 $'000	COMPANY 2011 $'000
Unquoted equity shares, at cost		**177,574**	354,242
Loans to subsidiaries:			
– Interest-free	(a)	**3,206,899**	2,896,905
– Interest-bearing	(b)	**232,371**	232,371
Impairment of loan receivables (net)	(c)	**(205,647)**	(146,241)
		3,411,197	3,337,277

(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 0.30% (2011: 0.40%) per annum as at 31 December 2012 and are fully repayable in 2015.

(c) On the reporting 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 (net) in certain subsidiaries of $59.4 million (2011: $99.4 million) in the profit or loss. Cumulative impairment stood at $205.6 million (2011: $146.2 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 reporting 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

	COMPANY 2012 %	2011 %
Growth rates	**-3.50 to 6.00**	-0.10 to 7.50
Discount rates	**4.80 to 17.40**	5.50 to 13.51

(d) Details of the subsidiaries are set out in Note 31.

7. ASSOCIATES

	GROUP 2012 $'000	2011 $'000
Interests in associates	**3,671,971**	3,521,066

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

	GROUP 2012 $'000	2011 $'000
Statement of financial position		
Total assets	**19,377,463**	18,404,803
Total liabilities	**(7,940,319)**	(7,423,373)
Income statements		
Revenue	**1,260,705**	1,077,066
Profit after taxation	**945,794**	613,992

(b) The Group's share of contingent liabilities of the associates as at 31 December 2012 was $1.0 million (2011: $3.6 million).

(c) In relation to investments in associates with carrying amount of $2,109.5 million (2011: $2,017.5 million) for which there are published price quotations, the fair value as at 31 December 2012 was $2,739.5 million (2011: $2,154.8 million).

(d) Details of the associates are set out in Note 32.

8. JOINTLY-CONTROLLED ENTITIES

	GROUP	
	2012	**2011**
	$'000	**$'000**
Cost of investment in jointly-controlled entities	**463,205**	1,727
Share of reserves of jointly-controlled entities	**712,012**	720,995
Loans to jointly-controlled entities:		
– Interest-free	**788,215**	–
– Interest-bearing	**371,894**	414,139
	2,335,326	1,136,861

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

	GROUP	
	2012	**2011**
	$'000	**$'000**
Assets and liabilities		
Current assets	**494,999**	450,643
Non-current assets	**3,666,429**	2,172,476
Total assets	**4,161,428**	2,623,119
Current liabilities	**(115,573)**	(276,719)
Non-current liabilities	**(2,870,638)**	(1,623,678)
Total liabilities	**(2,986,211)**	(1,900,397)
Capital commitments in relation to interests in jointly-controlled entities	**530,277**	232,787
Proportionate interest in jointly-controlled entities' capital commitments	**559,305**	290,856
Results		
Revenue	**176,053**	141,010
Fair value gain of investment properties	**34,316**	96,831
Expenses	**(81,973)**	(74,564)
Profit before taxation	**128,396**	163,277
Taxation	**(19,942)**	(9,632)
Profit for the year	**108,454**	153,645

(b) The loans to jointly-controlled entities are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Group's net investment in a jointly-controlled entity, they are stated at cost.

(c) As at 31 December 2012, the interest-bearing loans borne interest ranging from 1.65% to 2.12% (2011: 1.28% to 2.44%) per annum. The loans were subordinated to the external borrowings of the jointly-controlled entities.

(d) Details of the jointly-controlled entities are set out in Note 33.

Notes to the Financial Statements

9. OTHER INVESTMENTS

	GROUP	
	2012	2011
	$'000	$'000
Available-for-sale investments – unquoted equity securities	**441,306**	425,622

During the year, the Group injected an additional $6.4 million (2011: $6.5 million) into Raffles City China Fund, of which the Group has an equity interest of 15.0%. In 2011, 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%.

10. OTHER ASSETS

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Loan receivable	**56,682**	56,052	**–**	–
Deposits	**86,702**	–	**–**	–
Prepayments	**–**	40,991	**–**	–
Others	**–**	2	**–**	2
	143,384	97,045	**–**	2

At 31 December 2012 and 2011, 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.

At 31 December 2012, deposits of $86.7 million (2011: $Nil) were paid to vendors to acquire land for future development.

Prepayments of $41.0 million as at 31 December 2011 relate to progress payments for properties under development, which was disposed to an associate during the year.

Notes to the Financial Statements

11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade receivables	**48,895**	27,661	**–**	42
Allowance for doubtful receivables	**(698)**	(547)	**–**	(29)
Net trade receivables	**48,197**	27,114	**–**	13
Amounts due from holding company (trade)	**11**	19	**–**	–
Amounts due from subsidiaries:				
– trade	**–**	–	**38,555**	47,423
– non-trade (interest-free)	**–**	–	**1,050,219**	1,132,841
– non-trade (interest-bearing)	**–**	–	**375,611**	480,285
Amounts due from related corporations:				
– trade	**7,330**	1,247	**–**	–
– non-trade (interest-free)	**62**	65	**–**	–
Amounts due from associates:				
– trade	**34,128**	14,232	**7**	834
– non-trade (interest-free)	**5,687**	5,721	**–**	–
– loan account (interest-free)	**15,895**	1,851	**–**	–
– loan account (interest-bearing)	**372,336**	136,406	**–**	–
Amounts due from jointly-controlled entities:				
– trade	**10,909**	177	**146**	164
– loan account (interest-free)	**708**	9,451	**–**	–
– loan account (interest-bearing)	**9,451**	–	**–**	–
Deposits	**5,174**	3,751	**101**	321
Other receivables	**20,698**	13,794	**943**	742
	482,389	186,714	**1,465,582**	1,662,610
Allowance for doubtful receivables	**(666)**	(635)	**(1,084)**	–
Loans and receivables	**529,920**	213,193	**1,464,498**	1,662,623
Prepayments	**3,127**	4,669	**396**	85
	533,047	217,862	**1,464,894**	1,662,708

All non-trade balances are unsecured and repayable on demand.

The effective interest rate at the reporting date of interest-bearing loans in the Group to associates and jointly-controlled entities is 7.20% (2011: 7.87%) per annum and 1.80% (2011: Nil%) per annum respectively.

The effective interest rates at the reporting date of interest-bearing amounts in the Company to its subsidiaries range from 0.20% to 0.33% (2011: 0.18% to 0.21%) per annum.

Other receivables include distributable income receivable from an associate of $14.8 million (2011: $9.7 million) 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.

Trade receivables are mainly due 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. The majority of trade balances due from related corporations, associates and jointly-controlled entities pertain to management and consultancy fees.

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) The maximum exposure to credit risk for loans and receivables at the reporting date (by country) is:

	Gross 2012 $'000	Allowance for doubtful receivables 2012 $'000	Gross 2011 $'000	Allowance for doubtful receivables 2011 $'000
Group				
Singapore	**48,179**	**(136)**	38,813	(140)
China	**450,703**	**(48)**	166,134	(52)
Malaysia	**6,278**	**(1,180)**	4,665	(965)
Japan	**24,697**	**–**	3,347	–
India	**1,427**	**–**	1,356	–
Others	**–**	**–**	60	(25)
	531,284	**(1,364)**	214,375	(1,182)
Company				
Singapore	**843,347**	**–**	891,903	(4)
China	**582,499**	**–**	708,823	–
Malaysia	**4,321**	**–**	26,607	–
Japan	**5,549**	**(523)**	5,500	–
India	**29,866**	**(561)**	29,794	–
Others	**–**	**–**	25	(25)
	1,465,582	**(1,084)**	1,662,652	(29)

(b) The ageing of loans and receivables at the reporting date is as follows:

	Gross 2012 $'000	Allowance for doubtful receivables 2012 $'000	Gross 2011 $'000	Allowance for doubtful receivables 2011 $'000
Group				
Not past due	**498,846**	**–**	203,424	–
Past due 1 – 30 days	**15,203**	**(40)**	6,302	(20)
Past due 31 – 90 days	**8,259**	**(50)**	2,044	(35)
Past due more than 90 days	**8,976**	**(1,274)**	2,605	(1,127)
	531,284	**(1,364)**	214,375	(1,182)
Company				
Not past due	**1,452,887**	**–**	1,631,813	–
Past due 1 – 30 days	**5,060**	**–**	19,561	–
Past due 31 – 90 days	**5,168**	**–**	5,518	–
Past due more than 90 days	**2,467**	**(1,084)**	5,760	(29)
	1,465,582	**(1,084)**	1,662,652	(29)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) The movement in allowances for doubtful debts in respect of loans and receivables during the year is as follows:

	GROUP		COMPANY	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
At 1 January	**1,182**	1,130	**29**	–
Provision made during the year	**209**	114	**1,059**	29
Write-offs	**(4)**	(40)	**(4)**	–
Translation differences on consolidation	**(23)**	(22)	**–**	–
At 31 December	**1,364**	1,182	**1,084**	29

12. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Fixed deposits with financial institutions	**64,444**	178,691	**–**	–
Cash at banks	**610,907**	796,788	**1,071**	1,069
Cash and cash equivalents in the statement of financial position	**675,351**	975,479	**1,071**	1,069

The effective interest rates relating to cash and cash equivalents at the reporting date for the Group and Company range from 0.02% to 7.50% (2011: 0% to 8.80%) and Nil% (2011: Nil%) per annum respectively.

13. SHARE CAPITAL

	COMPANY	
	2012 No. of shares '000	2011 No. of shares '000
Fully paid ordinary shares, with no par value:		
At 1 January	**3,885,082**	3,884,000
Issue of shares under Share Plans (Note 19)	**2,423**	1,082
Issue of shares for partial payment of directors' fees	**225**	–
At 31 December	**3,887,730**	3,885,082

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).

	GROUP	
	2012 $'000	2011 $'000
Gross borrowings	**2,714,412**	1,229,743
Cash and cash equivalents	**(675,351)**	(975,479)
Net debt	**2,039,061**	254,264
Total equity	**6,737,961**	6,477,125
Net debt to equity ratio	***0.30***	*0.04*

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 with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of real estate investment trust management. These subsidiaries have complied with the applicable requirements throughout the year.

The Company and its other subsidiaries are not subject to externally imposed capital requirements.

14. RESERVES

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Capital reserve	**14,144**	17,070	**22,280**	22,405
Equity compensation reserve	**14,512**	7,015	**12,370**	6,117
Fair value reserve	**104,052**	82,220	**–**	–
Foreign currency translation reserve	**(258,356)**	(80,379)	**–**	–
Hedging reserve	**(19,420)**	(3,566)	**–**	–
Accumulated profits	**2,050,446**	1,624,738	**137,160**	90,768
Other reserves	**(27,621)**	(27,621)	**–**	–
	1,877,757	1,619,477	**171,810**	119,290

The capital reserve comprises mainly the Group's 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.

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 foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities, as well as from the translation of foreign currency loans used to hedge the Group's net investment in 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.

15. LOANS AND BORROWINGS

	Note	GROUP 2012 $'000	GROUP 2011 $'000	COMPANY 2012 $'000	COMPANY 2011 $'000
Non-current liabilities					
Secured bank loans	(i)	**374,663**	78,670	**–**	–
Unsecured bank loans	(i)	**1,111,014**	356,695	**–**	–
Secured bonds	(ii)	**17,692**	–	**–**	–
Secured notes	(iii)	**79,727**	81,181	**–**	–
Unsecured notes	(iii)	**598,877**	349,427	**–**	–
Unsecured retail bonds	(iv)	**523,517**	124,832	**–**	–
		2,705,490	990,805	**–**	–
Current liabilities					
Secured bank loans	(i)	**8,922**	13,938	**–**	–
Unsecured bank loans	(i)	**–**	150,000	**–**	–
Unsecured retail bonds	(iv)	**–**	75,000	**–**	–
		8,922	238,938	**–**	–
Total loans and borrowings		**2,714,412**	1,229,743	**–**	–

(i) Secured and unsecured bank loans

Repayable:

	GROUP 2012 $'000	GROUP 2011 $'000	COMPANY 2012 $'000	COMPANY 2011 $'000
Within 1 year	**8,922**	163,938	**–**	–
From 1 to 2 years	**32,734**	114,166	**–**	–
From 2 to 5 years	**1,132,889**	298,409	**–**	–
After 5 years	**320,054**	22,790	**–**	–
After 1 year	**1,485,677**	435,365	**–**	–
	1,494,599	599,303	**–**	–

(ii) Secured bonds

Repayable:

	GROUP 2012 $'000	GROUP 2011 $'000	COMPANY 2012 $'000	COMPANY 2011 $'000
Within 1 year	**–**	–	**–**	–
From 2 to 5 years	**–**	–	**–**	–
After 5 years	**17,692**	–	**–**	–
After 1 year	**17,692**	–	**–**	–
	17,692	–	**–**	–

The secured bank loans and bonds are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of $893.6 million (2011: $346.8 million) (Note 4(d)) and investments in subsidiaries held by certain entities of the Group. In respect of certain bank loans and bonds of $321.4 million (2011: $Nil) in aggregate, the Group is required to maintain no less than 51.00% direct or indirect shareholding in the subsidiary during the subsistence of the borrowings.

At 31 December 2012, the effective interest rates for bank loans and bonds range from 0.66% to 6.55% (2011: 1.49% to 7.05%) and 0.66% to 0.85% (2011: Nil%) per annum respectively.

15. LOANS AND BORROWINGS (CONT'D)

(iii) Secured and unsecured notes

Repayable:

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Within 1 year	**–**	–	**–**	–
From 1 to 2 years	**79,727**	–	**–**	–
From 2 to 5 years	**349,521**	81,181	**–**	–
After 5 years	**249,356**	349,427	**–**	–
After 1 year	**678,604**	430,608	**–**	–
	678,604	430,608	**–**	–

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 $292.5 million (2011: $270.7 million) (Note 4(d)) owned by this subsidiary. The effective interest rates for the two classes of secured notes at the reporting date are 4.00% and 4.50% (2011: 4.00% and 4.50%) 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 of $350.0 million and $250.0 million in 2010 and 2012 respectively. The effective interest rates are 3.95% (2011: 3.95%) and 3.70% (2011: Nil%) per annum and these notes are due on 24 August 2017 and 29 August 2022 for the 2010 and 2012 issuance respectively.

(iv) Unsecured retail bonds

Repayable:

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Within 1 year	**–**	75,000	**–**	–
From 1 to 2 years	**124,915**	–	**–**	–
After 5 years	**398,602**	124,832	**–**	–
After 1 year	**523,517**	124,832	**–**	–
	523,517	199,832	**–**	–

In 2012, CapitaMalls Asia Treasury Limited issued a 10-year callable step-up retail bond with an aggregate notional amount of $400.0 million bearing interest of 3.80% per annum with maturity date on 12 January 2022. 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. The one-year retail bonds were redeemed at par on 21 January 2012.

(v) Intra-group financial guarantee

Intra-group financial guarantee comprises guarantees of $2,247.0 million (2011: $1,060.0 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.

15. LOANS AND BORROWINGS (CONT'D)

(vi) Inter-group undertakings

(a) 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 $689.5 million (2011: $750.0 million) granted to certain of its jointly-controlled entities. As at 31 December 2012, the proportionate share of aggregated amounts outstanding under the facilities was $588.7 million (2011: $575.0 million). The Group does not consider it probable that a claim will be made against the Group under the undertakings.

(b) 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's proportionate share of $809.0 million granted to a jointly-controlled entity. As at 31 December 2012, the proportionate share of aggregated amounts outstanding under the facilities is $809.0 million (2011: $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.

16. DEFERRED TAXATION

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

	At 1 January $'000	Recognised in profit or loss (Note 24) $'000	Disposal of subsidiaries (Note 26) $'000	Translation differences $'000	At 31 December $'000
Group					
2012					
Deferred tax liabilities					
Accelerated tax depreciation	13,828	1,700	–	(794)	14,734
Fair value changes of investment properties and properties under development	71,193	30,679	(24,684)	(3,359)	73,829
Total	85,021	32,379	(24,684)	(4,153)	88,563
2011					
Deferred tax liabilities					
Accelerated tax depreciation	11,988	1,317	–	523	13,828
Fair value changes of 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	–	–	–

16. DEFERRED TAXATION (CONT'D)

	At 1 January 2011 $'000	Recognised in profit or loss (Note 24) $'000	At 31 December 2011 $'000	Recognised in profit or loss (Note 24) $'000	At 31 December 2012 $'000
Company					
Deferred tax liabilities					
Accelerated tax depreciation	339	111	450	(109)	341

Deferred tax assets have not been recognised in respect of the following:

	GROUP	
	2012 $'000	2011 $'000
Tax losses	**98,842**	98,758

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.

17. OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Security deposits	**61,107**	11,204	**–**	–
Amounts owing to non-controlling interests (non-trade)	**17,463**	9,157	**–**	–
Liability for employee benefits	**4,806**	1,095	**4,372**	440
Other payables	**1,649**	–	**–**	–
Interest rate swaps	**8,957**	123	**–**	–
	93,982	21,579	**4,372**	440

At the reporting date, 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

	GROUP 2012 $'000	GROUP 2011 $'000	COMPANY 2012 $'000	COMPANY 2011 $'000
Trade payables	**9,475**	13,509	**1,238**	1,838
Accruals	**94,007**	119,043	**4,596**	18,143
Advance payments received	**4,951**	3,782	**–**	–
Rental and tender deposits	**8,196**	7,199	**–**	–
Other payables	**34,113**	25,266	**–**	–
Liability for employee benefits	**47,168**	29,487	**25,820**	20,508
Interest rate swaps	**–**	69	**–**	–
Amounts due to holding company (trade)	**4,866**	8,013	**4,866**	8,013
Amounts due to related corporations (trade)	**459**	140	**110**	140
Amounts due to subsidiaries:				
– trade	**–**	–	**11**	537
– non-trade (interest-free)	**–**	–	**53,261**	228,786
Amounts due to associates:				
– trade	**177**	502	**–**	7
– non-trade (interest-free)	**5,815**	5,822	**–**	–
Amounts due to jointly-controlled entities:				
– trade	**1**	–	**1**	–
– non-trade (interest-free)	**–**	300	**–**	–
– loan account (interest-free)	**47**	–	**–**	–
– loan account (interest-bearing)	**31,615**	–	**–**	–
	240,890	213,132	**89,903**	277,972

All non-trade balances are unsecured and repayable on demand.

Other payables mainly relate to the sale of CapitaVouchers that will be redeemed by customers in due course.

Accruals include accrued operating and development expenditure, accrued interest payable and accrued plant and equipment purchases.

The effective interest rate at the reporting date of interest-bearing loans in the Group to jointly-controlled entities is 4.23% (2011: Nil%) per annum.

The aging of the Group's trade and other payables* at the reporting date is as follows:

	Gross 2012 $'000	Gross 2011 $'000
Group		
Not past due	**183,350**	167,513
Past due 1 to 30 days	**2,224**	9,101
Past due 31 to 90 days	**1,312**	815
Past due more than 90 days	**1,885**	2,365
	188,771	179,794

* *This excludes advanced payments received, liability for employee benefits and interest rate swaps.*

Notes to the Financial Statements

19. 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 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:

	2012 ('000)	2011 ('000)
At 1 January	**2,158**	872
Granted	**1,769**	1,326
Lapsed/cancelled	**(280)**	(40)
At 31 December	**3,647**	2,158

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No 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 released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	2012	2011
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	**$2.06**	$1.19
Expected volatility based on average of peers' 36 months closing share prices prior to grant date	**32.42%**	25.70%
MSCI AC Asia ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	**27.70%**	26.92%
Share price at grant date	**$1.645**	$1.77
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	**0.30%**	0.44%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	**2.27%**	1.15%
Correlation of return between MSCI AC Asia ex-Japan Real Estate Index and the peers' share price measured over 36 months prior to the grant date	**69.97%**	69.36%

19. EQUITY COMPENSATION BENEFITS (CONT'D)

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:

	2012 ('000)	2011 ('000)
At 1 January	**7,987**	4,117
Granted	**7,384**	6,036
Released*	**(3,419)**	(1,520)
Lapsed/cancelled	**(1,018)**	(646)
At 31 December	**10,934**	7,987

* *The number of shares released during the year was 3,418,735 (2011: 1,520,317), of which 995,898 (2011: 438,490) were cash-settled.*

At the reporting date, the number of shares comprised in awards granted under the Restricted Stock Plan is as follows:

	2012			2011		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award)#	4,932	993	5,925	3,672	1,536	5,208
Final number of shares determined but not released	3,527	1,482	5,009	1,988	791	2,779
	8,459	2,475	10,934	5,660	2,327	7,987

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

The final number of shares 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. With effect from 2012, the cash-settled award plan for non-managerial grade employees has been replaced by a Restricted Cash Plan ("RCP"). Under the RCP, cash bonus is distributed to eligible employees at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

Cash-settled awards of shares are measured at their current fair value at each reporting date.

19. EQUITY COMPENSATION BENEFITS (CONT'D)

Restricted Stock Plan – Equity-settled/Cash-settled (Cont'd)

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	2012	2011
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	**\$1.58 to \$1.92**	\$1.69
Expected volatility based on average of peers' 36 months closing share prices prior to grant date	**32.42%**	25.70%
Share price at grant date	**\$1.645**	\$1.72
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	**0.15% to 0.30%**	0.32% to 0.45%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	**2.27%**	1.14%

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.

19. EQUITY COMPENSATION BENEFITS (CONT'D)

Share Option Plan (Cont'd)

Movements in the number of outstanding CapitaLand options and their related weighted average exercise prices are as follows:

	Weighted average exercise price 2012 $	No. of options 2012 ('000)	Weighted average exercise price 2011 $	No. of options 2011 ('000)
At 1 January	**2.76**	**2,312**	2.74	2,442
Lapsed/cancelled	**3.15**	**(51)**	3.36	(26)
Exercised	**1.08**	**(221)**	2.00	(104)
At 31 December	**2.93**	**2,040**	2.76	2,312
Exercisable on 31 December	**2.93**	**2,040**	2.76	2,312

Options exercised in 2012 resulted in 221,473 (2011: 103,774) shares being issued at a weighted average market price of $3.06 (2011: $3.31) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $2.95 (2011: $2.94).

The fair value of services received in return for options granted is measured by reference to the fair value of options granted. The fair value of the options granted is measured based on Enhanced Trinomial (Hull and White) valuation model.

Options outstanding at the end of the year are summarised below:

Range of Exercise Price Post- Modification	Options outstanding 2012 ('000)	Weighted average contractual life (years)	Options outstanding 2011 ('000)	Weighted average contractual life (years)
$0.30 to $0.44	**3**	**0.44**	49	1.18
$0.45 to $0.50	**74**	**1.16**	154	1.81
$0.51 to $1.43	**15**	**1.65**	15	2.66
$1.44 to $2.16	**271**	**2.19**	354	3.18
$2.17 to $4.10	**1,677**	**3.19**	1,740	4.20
	2,040		2,312	

19. EQUITY COMPENSATION BENEFITS (CONT'D)

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.

Movements in the number of shares outstanding under the Performance Share Plan are summarised below:

Year of Award	2012 ('000)	2011 ('000)
At 1 January	**592**	876
Lapsed/cancelled	**(592)**	–
Released	**–**	(284)
At 31 December	**–**	592

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 released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. CapitaLand ceased to grant CapitaLand Performance Share Plan to the employees of the Company with effect from 2010.

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.

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	2012 ('000)	2011 ('000)
At 1 January	**766**	2,038
Lapsed/cancelled	**(33)**	(78)
Released*	**(733)**	(1,194)
At 31 December	**–**	766

* *The number of shares released during the year was 733,108 (2011: 1,193,933), of which 197,286 (2011: 303,337) were cash-settled.*

19. EQUITY COMPENSATION BENEFITS (CONT'D)

Restricted Stock Plan – Equity-settled/Cash-settled (Cont'd)

At the reporting date, the number of shares comprised in awards granted under the CapitaLand Restricted Stock Plan is as follows:

	2012			2011		
	Equity-settled ('000)	**Cash-settled ('000)**	**Total ('000)**	**Equity-settled ('000)**	**Cash-settled ('000)**	**Total ('000)**
Final number of shares has not been determined (baseline award)#	–	–	–	566	200	766
	–	–	–	566	200	766

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 reporting 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.

20. REVENUE

Revenue of the Group and the Company is analysed as follows:

	GROUP		COMPANY	
	2012 \$'000	**2011 \$'000**	**2012 \$'000**	**2011 \$'000**
Rental and related income	**109,624**	56,224	**–**	–
Management and consultancy fees	**248,488**	188,203	**104,707**	93,416
Dividend income from subsidiaries	**–**	–	**250,655**	217,181
Others	**3,066**	1,746	**–**	–
	361,178	246,173	**355,362**	310,597

Notes to the Financial Statements

21. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Interest income:				
– fixed deposits	**3,746**	6,003	**–**	–
– subsidiaries	**–**	–	**2,112**	2,140
– associates	**22,861**	10,158	**–**	–
– jointly-controlled entities	**7,928**	7,356	**30**	–
– others	**150**	74	**–**	–
Foreign exchange gain	**–**	7,558	**102**	–
Gain on disposal of associates	**–**	2,017	**–**	–
Gain on disposal of subsidiaries	**80,900**	–	**–**	–
Gain on dilution of associates	**11,942**	12,772	**–**	–
Net fair value gain on investment properties	**82,146**	36,514	**–**	–
Fair value gain on properties under development	**2,684**	164,420	**–**	–
Others	**2,320**	5,185	**549**	110
	214,677	252,057	**2,793**	2,250

22. FINANCE COSTS

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Interest paid and payable to:				
– associates	**811**	–	**–**	–
– bank loans	**22,993**	12,616	**–**	–
– bonds	**22,140**	3,397	**–**	–
– notes	**20,482**	16,506	**–**	–
– others	**3,289**	793	**–**	–
	69,715	33,312	**–**	–

There was no borrowing costs capitalised during the current and prior year.

23. PROFIT BEFORE TAXATION

Profit before taxation includes the following:

	GROUP		COMPANY	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
(a) Staff costs				
Wages and salaries	**125,816**	99,347	**65,017**	47,951
Contributions to defined contribution plans	**14,169**	10,843	**5,741**	4,561
Share-based payments				
– equity-settled	**12,036**	6,518	**10,356**	5,601
– cash-settled	**2,468**	1,825	**101**	(336)
Increase in liability for short term accumulating compensated absences	**586**	460	**357**	106

	GROUP		COMPANY	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
(b) Other expenses				
Allowance for impairment losses on loans to subsidiaries (net)	**–**	–	**59,406**	99,380
Allowance for doubtful loans and receivables (net)	**209**	114	**1,059**	29
Depreciation of plant and equipment	**8,110**	6,826	**2,457**	2,439
Loss on disposal/ write-off of plant and equipment	**192**	64	**–**	2
Foreign exchange loss	**3,837**	–	**–**	17
Operating lease expenses	**8,832**	8,347	**2,946**	2,984
Operating expenses arising from investment properties	**36,658**	21,022	**–**	–
Auditors' remuneration:				
– auditors of the Company	**373**	299	**167**	135
– other auditors	**329**	354	**–**	–
Non-audit fees* paid to:				
– auditors of the Company	**109**	1,013	**86**	974
– other auditors	**–**	2	**–**	–

* *Non-audit fees included professional fees for tax, advisory and other services of $109,000 (2011:$127,000) and services rendered in connection with the secondary listing of the Company on The Stock Exchange of Hong Kong of $Nil (2011:$888,000).*

23. PROFIT BEFORE TAXATION (CONT'D)

	Directors fees Cash component[1] $'000	Directors fees Equity component[2] $'000	Other remuneration (mainly basic salaries, bonus and allowances) $'000	Equity-settled share-based payments $'000	Total $'000
(c) Directors' remuneration					
Group					
2012					
Executive director					
Lim Beng Chee	–	26	2,178	678	2,882
Non-executive directors					
Liew Mun Leong	367	124	–	–	491
Lim Ming Yan[3]	14	6	–	–	20
Chua Kheng Yeng Jennie	54	23	–	–	77
Lim Tse Ghow Olivier	153	57	–	–	210
Independent non-executive directors					
Sunil Tissa Amarasuriya	91	39	–	–	130
Tan Sri Amirsham A Aziz	59	26	–	–	85
Dr Loo Choon Yong	108	46	–	–	154
Arfat Pannir Selvam	78	33	–	–	111
Professor Tan Kong Yam	91	39	–	–	130
Yap Chee Keong	153	–	–	–	153
	1,168	419	2,178	678	4,443
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[4]	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

[1] *Included in the cash component of the directors' fee is an amount of $229,200 (2011: $216,800) paid/payable by subsidiaries. These fees paid/payable to CapitaLand Limited, the employer of Liew Mun Leong and Lim Tse Ghow Olivier, amounted to $182,400 (2011: $161,600) and $46,800 (2011: $55,200) respectively.*

[2] *Included in the equity component of the directors' fee is an amount of $84,133 (2011: $82,140) 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 components will be granted to Liew Mun Leong, Lim Tse Ghow Olivier and Lim Beng Chee and amounts to $45,600 (2011: $40,400), $11,700 (2011: $13,800) and $26,833 (2011: $27,940) respectively.*

[3] *Appointed on 25 October 2012*

[4] *Appointed on 18 August 2011*

23. PROFIT BEFORE TAXATION (CONT'D)

(d) Individuals with highest remuneration

Of the five individuals with highest remuneration, one is a director of the Company during the financial year whose remuneration is disclosed in Note 23(c) above. The aggregate of the remuneration paid or payable to the remaining four individuals are as follows:

	GROUP	
	2012	**2011**
	$'000	**$'000**
Salaries, bonus and allowances	**4,649**	3,811
Contributions to defined contribution plans	**46**	44
Share-based payments	**1,761**	892
	6,456	4,747

An analysis of their remuneration by number of employee and remuneration range is set out below:

	GROUP	
	2012	**2011**
	Number of employees	**Number of employees**
$1,000,000 to $1,249,999	**–**	3
$1,250,000 to $1,499,999	**2**	1
$1,500,000 to $1,749,999	**1**	–
$1,750,000 to $1,999,999	**1**	–
$2,000,000 to $2,249,999	**–**	1
$2,250,000 to $2,499,999	**–**	–
$2,500,000 to $2,749,999	**–**	–
$2,750,000 to $2,999,999	**1**	–

24. TAXATION

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Current tax				
– Current year	**27,481**	30,636	**438**	746
– (Over)/Under provision in respect of prior years	**(2,121)**	(3,523)	**3,049**	(65)
	25,360	27,113	**3,487**	681
Deferred tax				
– Origination and reversal of temporary differences	**32,379**	48,261	**(109)**	111
– Overprovision in respect of prior years	**–**	(1,033)	**–**	–
	32,379	47,228	**(109)**	111
	57,739	74,341	**3,378**	792

24. TAXATION (CONT'D)

Reconciliation of effective tax rate

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Profit before taxation	**616,587**	568,559	**171,258**	99,684
Less: Share of results of associates and jointly-controlled entities	**(406,501)**	(348,945)	**–**	–
Profit before share of results of associates and jointly-controlled entities and taxation	**210,086**	219,614	**171,258**	99,684
Income tax using Singapore tax rate of 17% (2011: 17%)	**35,715**	37,334	**29,114**	16,946
Tax exempt income	**(11,720)**	(17,570)	**(41,253)**	(37,266)
Non-deductible expenses	**14,238**	15,774	**12,690**	21,121
Effect of different tax rates in foreign jurisdictions	**2,925**	13,884	**–**	–
Effect of taxable distributions from associates	**16,434**	16,383	**–**	–
Utilisation of previously unrecognised tax losses	**(5,400)**	(1,104)	**–**	–
Deferred tax assets not recognised	**4,853**	4,663	**–**	–
Tax losses not available for carry-forward	**2,796**	9,283	**–**	–
(Over)/Under provision in respect of prior years	**(2,121)**	(4,556)	**3,049**	(65)
Others	**19**	250	**(222)**	56
	57,739	74,341	**3,378**	792

25. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2012 was based on the profit attributable to owners of the Company of $546.0 million (2011: $456.0 million) and a weighted average number of ordinary shares outstanding of 3,887.2 million shares (2011: 3,884.9 million shares), calculated as follows:

	GROUP	
	2012	**2011**
	$'000	**$'000**
Profit attributable to owners of the Company	**546,018**	456,008
	Number of shares 2012 ('000)	**Number of shares 2011 ('000)**
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	**3,885,082**	3,884,000
Effect of shares issued during the year	**2,163**	907
Weighted average number of shares at 31 December	**3,887,245**	3,884,907

25. EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2012 was based on profit attributable to owners of the Company of $546.0 million (2011: $456.0 million), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 3,902.7 million shares (2011: 3,894.7 million shares), calculated as follows:

	GROUP	
	2012 $'000	2011 $'000
Profit attributable to owners of the Company	**546,018**	456,008

	Number of shares 2012 ('000)	Number of shares 2011 ('000)
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic)	**3,887,245**	3,884,907
Weighted average number of unissued ordinary shares from:		
– Shares under Performance Share Plan	**6,108**	3,450
– Shares under Restricted Stock Plan	**9,066**	6,348
	15,174	9,798
Weighted average number of ordinary shares (diluted) at 31 December	**3,902,419**	3,894,705

26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Acquisition of subsidiaries

The primary reason for the Group's acquisitions of subsidiaries is to expand its portfolio of investment properties held in Japan and the People's Republic of China.

The list of subsidiaries acquired in 2012 is as follows:

	Date acquired	Equity interest acquired %
CapitaRetail CK Investment Pte Ltd	February 2012	73.71
CapitaRetail CK Tokutei Mokuteki Kaisha	February 2012	73.71
CapitaRetail IH Investment Pte Ltd	February 2012	73.71
CapitaRetail IH Tokutei Mokuteki Kaisha	February 2012	73.71
CapitaRetail LPM Investment Pte Ltd	February 2012	73.71
CapitaRetail LPM Tokutei Mokuteki Kaisha	February 2012	73.71

26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

(a) Acquisition of subsidiaries (Cont'd)

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 $111.9 million (2011: $285.5 million). From the date of acquisitions to 31 December 2012, the above-mentioned acquisitions contributed net profit of $45.4 million (2011: $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 2012 and 1 January 2011, management estimates that it will not have any significant impact on the net profit for the year ended 31 December 2012 and 31 December 2011, respectively.

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired are provided below:

	Recognised values on acquisition	
	2012	**2011**
	$'000	**$'000**
Group		
Plant and equipment	**36**	428,255
Investment properties	**217,404**	–
Current assets	**44,098**	9,419
Current liabilities	**(3,381)**	(9,815)
Bank borrowings (current)	**(123,113)**	–
Non-current liabilities – security deposits	**(23,149)**	–
Net assets acquired	**111,895**	427,859
Non-controlling interests	**–**	(142,390)
Purchase consideration	**111,895**	285,469
Less:		
Cash paid in previous financial year	**–**	(28,942)
Cash of subsidiaries acquired	**(43,639)**	(9,264)
Cash outflow on acquisition of subsidiaries	**68,256**	247,263

26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

(b) Disposal of subsidiaries

The list of subsidiaries disposed in 2012 is as follows:

	Date disposed	Equity interest disposed %
CapitaRetail China Developments D18 (HK) Limited	June 2012	100.0
Growing State Holdings Limited	June 2012	100.0
Rongyue Chengdu Real Estate Co., Ltd.	June 2012	100.0
Chengdu Huayun Jiangnan Real Estate Development Co., Ltd.	June 2012	100.0

The subsidiaries were sold to CapitaMalls China Development Fund III in which the Group has an effective stake of 50.0% as at 31 December 2012. The disposed subsidiaries previously contributed loss of $0.3 million from 1 January 2012 to the date of disposal.

There was no disposal of any subsidiary in 2011.

Effects of disposals

The cash flow and the net assets of subsidiaries disposed are provided below:

	2012 $'000
Group	
Properties under development	**249,446**
Prepayments for properties under development	**79,087**
Development properties for sale	**23,387**
Other current assets	**29,051**
Current liabilities	**(24,587)**
Bank borrowings (current)	**(28,490)**
Deferred tax liabilities	**(24,684)**
Net assets disposed	**303,210**
Less: Equity interests retained as associates	**(192,592)**
Net assets disposed	**110,618**
Gain on disposal of subsidiaries*	**80,900**
Sale consideration	**191,518**
Cash of subsidiaries disposed	**(26,246)**
Cash inflow on disposal of subsidiaries	**165,272**

* *Including realisation of foreign currency translation reserve of $3,167,000*

27. COMMITMENTS

The Group and the Company had the following commitments as at the reporting date:

(a) Operating lease commitments

(i) Operating lease rental payable

Future minimum lease payments on non-cancellable operating leases are as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Lease payments payable:				
– Within 1 year	**8,923**	9,906	**3,281**	2,877
– After 1 year but within 5 years	**17,707**	12,757	**16,096**	5,863
– After 5 years	**35,277**	–	**35,277**	–
	61,907	22,663	**54,654**	8,740

(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	
	2012	2011
	$'000	$'000
Lease rentals receivable:		
– Within 1 year	**92,661**	46,248
– After 1 year but within 5 years	**168,446**	60,796
– After 5 years	**40,835**	30,888
	301,942	137,932

(b) Other commitments

	GROUP		COMPANY	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	**846**	2,760	**273**	250
– development expenditure contracted but not provided for in the financial statements	**31,857**	141,635	**–**	–
– purchase of land/investment properties contracted but not provided for in the financial statements	**372,942**	57,123	**–**	–
– capital contribution/acquisition of associates, jointly-controlled entities and investee companies	**819,419**	859,088	**–**	–
– shareholders' loan committed to jointly-controlled entities	**300,838**	1,059,539	**–**	–

28. 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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Salaries, bonus and other benefits	**9,924**	8,202	**5,923**	4,859
Contributions to defined contribution plans	**117**	124	**52**	59
Share-based payments	**3,318**	1,939	**1,896**	1,106
	13,359	10,265	**7,871**	6,024

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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Holding company				
Management fee expense	**(24,118)**	(19,494)	**(24,118)**	(19,494)
Subsidiaries				
Management fee income	**–**	–	**103,128**	91,670
Related corporations				
Property and fund management fee income	**8,611**	3,064	**–**	–
Marketing income and others	**7,106**	–	**–**	–
Project management fee income	**322**	–	**–**	–
Management fee income	**–**	632	**–**	–
Management fee expense	**(1,132)**	(1,032)	**(1,132)**	(1,032)
Rental expenses	**(846)**	(2,526)	**–**	(1,036)
Associates and jointly-controlled entities				
Property and fund management fee income	**154,941**	135,107	**1,579**	1,746
Accounting service fee, acquisition fee, divestment fee, marketing income and others	**22,831**	24,576	**–**	–
Project management fee income	**37,552**	17,806	**–**	–
Rental expenses	**(197)**	(147)	**–**	–
Key management personnel				
Professional fees paid/payable to companies in which a director is a member	**496**	372	**486**	353
Subscription of bonds issued by a subsidiary	**–**	3,000	**–**	–
Interest payable by a subsidiary	**43**	50	**–**	–

29. 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 2012, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $682.5 million (2011: $345.0 million) which pays fixed interest rates ranging from 0.48% to 1.28% (2011: 0.84% to 1.33%) 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 2012 is a liability of $9.0 million (2011: $0.2 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	
	2012 $'000	2011 $'000
Fixed rate instruments		
Loans and borrowings	**2,151,480**	975,440
Variable rate instruments		
Loans and borrowings	**562,932**	254,303

29. 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 $5.6 million (2011: $2.5 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

29. 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 2012 and 31 December 2011 are as follows:

	Singapore Dollars $'000	US Dollars $'000	Chinese Renminbi $'000	Malaysian Ringgit $'000	Japanese Yen $'000	Others[1] $'000	Total $'000
Group							
2012							
Other investments	131,281	310,025	–	–	–	–	441,306
Other assets (non-current)	58,452	54,494	30,438	–	–	–	143,384
Trade and other receivables	445,031	9,119	48,704	5,058	24,911	224	533,047
Cash and cash equivalents	383,847	14,210	137,159	41,813	97,833	489	675,351
Loans and borrowings	(1,996,733)	–	(79,863)	(79,727)	(558,089)	–	(2,714,412)
Other non-current liabilities[2]	(9,550)	–	(21,226)	(4,274)	(45,169)	–	(80,219)
Trade and other payables[3]	(101,425)	(18)	(65,987)	(9,621)	(11,406)	(314)	(188,771)
	(1,089,097)	387,830	49,225	(46,751)	(491,920)	399	(1,190,314)
Add/Less:							
– Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	1,067,469	(366,399)	47,948	107,742	497,652	(378)	1,354,034
Currency exposure	(21,628)	21,431	97,173	60,991	5,732	21	163,720

[1] *Others include mainly Indian Rupees and Hong Kong Dollars*

[2] *Excludes liability for employee benefits and interest rate swaps*

[3] *Excludes advance payment received, liability for employee benefits and interest rate swaps*

Notes to the Financial Statements

29. 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							
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
Add/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*

	US Dollars $'000	Chinese Renminbi $'000	Malaysian Ringgit $'000	Japanese Yen $'000	Others[1] $'000	Total foreign currencies $'000
Company						
2012						
Cash and cash equivalents	4	–	–	–	16	20
Trade and other payables	–	–	(1)	(2)	–	(3)
Currency exposure	4	–	(1)	(2)	16	17
2011						
Cash and cash equivalents	5	–	–	–	5	10
Trade and other payables	(3)	–	(7)	–	–	(10)
Currency exposure	2	–	(7)	–	5	–

1 *Others include mainly Hong Kong Dollars.*

Notes to the Financial Statements

29. 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
2012				
Singapore Dollars[1]	–	1,081	–	–
US Dollars[2]	–	(1,072)	–	–
Chinese Renminbi[3]	–	(4,859)	–	–
Malaysian Ringgit[3]	–	(3,050)	–	–
Japanese Yen[3]	–	(287)	–	–
Others[3]	–	(1)	–	(1)
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	–	–

[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.

29. 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. 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 reporting 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 statement of financial position.

(d) Liquidity and refinancing 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 2012, the Group has unutilised credit facilities amounting to $631.9 million (2011: $969.4 million). The Group launched a $2.0 billion Euro Medium-Term-Note programme in 2010, of which unsecured notes of $250.0 million (2011: $Nil) were issued in 2012. As at reporting date, $0.6 billion (2011: $0.4 billion) of the notes has been issued under this programme. The Group also launched a RM1.1 billion asset-backed medium term notes programme in 2011 for the purpose of acquiring a property in Malaysia. As at 31 December 2012, RM660.0 million has been issued under this programme.

During the year, the Group issued $400.0 million unsecured callable step-up bonds. In 2011, the Group issued $200.0 million unsecured retail bonds and $83.5 million secured senior notes.

Notes to the Financial Statements

29. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity and refinancing risk (Cont'd)

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

		Contractual cash flows (including interest payments)			
	Carrying amount $'000	Total $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
2012					
Secured bank loans	383,585	417,842	16,334	74,980	326,528
Unsecured bank loans	1,111,014	1,173,377	13,356	1,160,021	–
Secured bonds	17,692	18,690	143	572	17,975
Secured notes	79,727	84,234	2,458	81,776	–
Unsecured notes	598,877	753,558	14,983	442,300	296,275
Unsecured retail bonds	523,517	679,487	8,143	189,876	481,468
Other non-current liabilities[1]	80,219	80,219	–	34,475	45,744
Trade and other payables[2]	188,771	188,771	188,771	–	–
Interest rate swaps (current and non-current)	8,957	14,450	3,719	10,731	–
	2,992,359	3,410,628	247,907	1,994,731	1,167,990
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
Company					
2012					
Trade and other payables[2]	64,083	64,083	64,083	–	–
2011					
Trade and other payables[2]	257,464	257,464	257,464	–	–

[1] *Excludes liability for employee benefits 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.

29. 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 statement of financial position.

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).

Notes to the Financial Statements

29. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value (Cont'd)

(iii) Other financial assets and liabilities (Cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2012				
Available-for-sale investments	–	–	441,306	441,306
Interest rate swaps	–	8,957	–	8,957
2011				
Available-for-sale investments	–	–	425,622	425,622
Interest rate swaps	–	192	–	192

During the year ended 31 December 2012, 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:

	2012 $'000	2011 $'000
At 1 January	**425,622**	378,653
Additions during the year	**6,376**	6,593
Total gains in other comprehensive income	**21,832**	46,403
Translation differences on consolidation	**(12,524)**	(6,027)
At 31 December	**441,306**	425,622

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.

29. 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							
2012							
Available-for-sale investments	9	–	–	441,306	–	441,306	441,306
Other assets	10	–	143,384	–	–	143,384	143,384
Trade and other receivables[1]	11	–	529,920	–	–	529,920	529,920
Cash and cash equivalents	12	–	675,351	–	–	675,351	675,351
		–	1,348,655	441,306	–	1,789,961	1,789,961
Secured bank loans	15	–	–	–	383,585	383,585	379,466
Unsecured bank loans	15	–	–	–	1,111,014	1,111,014	1,111,014
Secured bonds	15	–	–	–	17,692	17,692	17,943
Secured notes	15	–	–	–	79,727	79,727	79,456
Unsecured notes	15	–	–	–	598,877	598,877	617,294
Unsecured retail bonds	15	–	–	–	523,517	523,517	543,950
Other non-current liabilities[2]	17	–	–	–	80,219	80,219	80,219
Interest rate swaps (current and non-current)	17	8,957	–	–	–	8,957	8,957
Trade and other payables[3]	18	–	–	–	188,771	188,771	188,771
		8,957	–	–	2,983,402	2,992,359	3,027,070

[1] *Excludes prepayments*

[2] *Excludes liability for employee benefits and interest rate swaps*

[3] *Excludes advance payment received, liability for employee benefits and interest rate swaps*

Notes to the Financial Statements

29. 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							
2011							
Available-for-sale investments	9	–	–	425,622	–	425,622	425,622
Other assets	10	–	97,045	–	–	97,045	97,045
Trade and other receivables[1]	11	–	213,193	–	–	213,193	213,193
Cash and cash equivalents	12	–	975,479	–	–	975,479	975,479
		–	1,285,717	425,622	–	1,711,339	1,711,339
Secured bank loans	15	–	–	–	92,608	92,608	92,608
Unsecured bank loans	15	–	–	–	506,695	506,695	506,695
Secured notes	15	–	–	–	81,181	81,181	80,510
Unsecured notes	15	–	–	–	349,427	349,427	360,238
Unsecured retail bonds	15	–	–	–	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*

29. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value (Cont'd)

(iv) Accounting classifications and fair values (Cont'd)

	Note	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company						
2012						
Trade and other receivables[1]	11	1,464,498	–	–	1,464,498	1,464,498
Cash and cash equivalents	12	1,071	–	–	1,071	1,071
		1,465,569	–	–	1,465,569	1,465,569
Trade and other payables[2]	18	–	–	64,083	64,083	64,083
2011						
Trade and other receivables[1]	11	1,662,623	–	–	1,662,623	1,662,623
Cash and cash equivalents	12	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

[1] *Excludes prepayments*

[2] *Excludes advance payment received and liability for employee benefits*

30. 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 on 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 2012 or 2011. 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. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on an arm's length basis.

30. OPERATING SEGMENTS (CONT'D)

(a) Operating segments

	Management business $'000	Investment business $'000	Others $'000	Elimination $'000	Total $'000
2012					
External revenue	248,488	109,624	3,066	–	361,178
Inter-segment revenue	8,502	30	100,302	(108,834)	–
Total revenue	256,990	109,654	103,368	(108,834)	361,178
Segment results					
Company and subsidiaries	86,413	240,223	(46,835)	–	279,801
Associates	–	298,047	–	–	298,047
Jointly-controlled entities	(2,469)	110,923	–	–	108,454
EBIT	83,944	649,193	(46,835)	–	686,302
Finance costs					(69,715)
Taxation					(57,739)
Profit for the year					558,848
Total assets as at 31 December 2012	231,854	7,680,273	2,019,207	–	9,931,334
Total liabilities as at 31 December 2012	108,763	738,706	2,345,904	–	3,193,373
Other segment items:					
Interest in associates	–	3,671,971	–	–	3,671,971
Interest in jointly-controlled entities	399	2,334,927	–	–	2,335,326
Capital expenditure	4,369	466,852	3,421	–	474,642

30. OPERATING SEGMENTS (CONT'D)

(a) Operating segments (Cont'd)

	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	18,478	–	89,341	(107,819)	–
Total revenue	206,681	56,224	91,087	(107,819)	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

30. OPERATING SEGMENTS (CONT'D)

(b) Geographical information

	Singapore $'000	China $'000	Malaysia $'000	Japan $'000	India $'000	Total $'000
2012						
External revenue	123,036	159,996	37,576	35,639	4,931	361,178
As at 31 December 2012						
Non-current assets	3,012,883	4,343,184	601,197	659,062	106,610	8,722,936
Total assets	3,526,955	4,866,821	648,935	778,769	109,854	9,931,334
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

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

31. 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 as at 31 December 2012 %	2011 %
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	$1	**100**	100
[1]CapitaLand Retail BJ1 (M) Limited	Investment holding	Mauritius	United States Dollar ("US$")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
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

31. 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 as at 31 December 2012 %	2011 %
CapitaLand Retail Japan Investments Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[7]CapitaLand Retail Management Kabushiki Kaisha	Property management	Japan	Japanese Yen ("JPY")70,000,000	**100**	100
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
[2]CapitaLand Retail Property Management India Private Limited	Property management	India	Indian Rupee ("INR") 164,000,000	**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
[3,13]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
[3,13]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

31. 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 as at 31 December 2012 %	2011 %
CapitaRetail China Investments Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[4]CapitaRetail Gurney Sdn. Bhd.	Property investment (Dormant)	Malaysia	Ringgit Malaysia ("RM")2	**100**	100
[3,12]CapitaMalls Chongqing Investment Co., Ltd.	Property investment	The People's Republic of China	Chinese Renminbi ("RMB") 83,000,000	**73**	73
Clarke Quay Pte Ltd	Property investment	Singapore	$45,000,000	**100**	100
[3,12]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
[3,12]CapitaMalls Hunan Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB127,000,000	**73**	73
[3,12]CapitaMalls Maoming City Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB72,000,000	**73**	73
[4]Mutual Streams Sdn. Bhd.	Property investment (Dormant)	Malaysia	RM2	**100**	100
One Trust	Property investment	Singapore	$10	**100**	100
[8]Plaza Singapura (Private) Limited	Investment holding (Dormant)	Singapore	$1	**100**	100

31. 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 as at 31 December 2012 %	2011 %
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
[4]Vast Winners Sdn. Bhd.	Property investment (Dormant)	Malaysia	RM2	**100**	100
[3,12]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.	Property fund management	Singapore	$2	**100**	100
CapitaRetail Singapore Management Pte. Ltd.	Investment and fund management (Dormant)	Singapore	$100,000	**100**	100
CapitaMalls Fund Management Pte. Ltd.	Fund management	Singapore	$1	**100**	100

Notes to the Financial Statements

31. 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 as at 31 December 2012 %	2011 %
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.	Trustee, fiduciary and custody services	Singapore	$1	**100**	100
CapitaMalls India Fund Management Pte. Ltd.	Fund management	Singapore	$2	**100**	100
[4]CapitaMalls Malaysia REIT Management Sdn. Bhd.	REIT management	Malaysia	RM1,000,000	**70**	70
[3,13]CapitaRetail (Beijing) Investment Consulting Co., Ltd.	Property management and consultancy services	The People's Republic of China	US$300,000	**100**	100
Victoria City Pte Ltd	Investment holding	Singapore	$1,000,000 (Ordinary) $68,800,000 (Preference)	**100**	100
[7]CMA RCCF Investment (BVI) Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[4]CapitaLand Retail Malaysia Sdn. Bhd.	Project management	Malaysia	RM500,000	**100**	100
[4]Luxury Ace Sdn. Bhd.	Investment holding	Malaysia	RM2	**100**	100
[14]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

31. 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 as at 31 December 2012 %	2011 %
[4]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$1	**100**	100
[5]Magic Bright Investments Limited	Investment holding	Hong Kong	Hong Kong Dollar ("HK$")1	**100**	100
Omnitrix Investment Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
CMA Japan Holdings Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[4]Success Idea Sdn. Bhd.	Property investment	Malaysia	RM2	**100**	100
[4]Scenic Growth Sdn. Bhd.	Property investment	Malaysia	RM2	**100**	100
[4,15]Special Coral Sdn. Bhd.	Property investment	Malaysia	RM2	**100**	100

31. 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 as at 31 December 2012 %	2011 %
[4]Milky Way Properties Berhad	Property investment	Malaysia	RM2	**100**	100
[7]CMA China II Changning Limited (formerly 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
[5,9]CapitaRetail China Developments D18 (HK) Limited	Investment holding	Hong Kong	HK$1	**–**	100
[5,9]Growing State Holdings Limited	Investment holding	Hong Kong	HK$1	**–**	100
[3,9,13]Rongyue Chengdu Real Estate Co., Ltd.	Real estate investment and management	The People's Republic of China	RMB250,000,000	**–**	100
[3,9,13]Chengdu Huayun Jiangnan Real Estate Development Co., Ltd.	Real estate investment and management	The People's Republic of China	$170,541,791	**–**	100
[3,13]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**	100
JG2 Trustee Pte. Ltd.	Trust services	Singapore	$1	**100**	100
CMA Singapore Investments (6) Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[7]Abbey Road Limited	Investment holding	Cayman Islands	US$198,899,369	**68.75**	68.75
[5]Sky Vision (Hong Kong) Limited	Investment holding	Hong Kong	HK$2	**68.75**	68.75
[3,12,17]Shanghai Yongwei Real Estate Co., Ltd.	Property investment	The People's Republic of China	US$202,650,000	**66**	66

31. 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 as at 31 December 2012 %	2011 %
CMA Singapore I Pte. Ltd.	Investment holding	Singapore	$50,000,000	**100**	100
[7]Chisholme Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[7]Progressive Alliance Holdings Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[7]Navin Holdings Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[5]CMA China II Developments (HK1) Limited	Investment holding	Hong Kong	HK$1	**100**	100
[5]Fast Action Investments Limited	Investment holding	Hong Kong	HK$1	**100**	100
[5]Giant Castle Investments Limited	Investment holding	Hong Kong	HK$1	**100**	100
CMA CapitaStar Pte. Ltd.	Management activities	Singapore	$1,000,000	**100**	100
CMA China III Pte. Ltd.	Investment holding	Singapore	$1	**100**	100
[7]Gold Achiever Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[7]Gold Conqueror Limited	Investment holding	British Virgin Islands	US$1	**100**	100
[7]Gold Runner Limited	Investment holding	British Virgin Islands	US$1	**100**	100
CMA Japan Trust One Pte. Ltd. (formerly CMA Gamma Pte. Ltd.)	Investment holding	Singapore	$1 (Ordinary) JPY1,851,050,000 (Preference)	**100**	100
[7]CMA Japan Trust One Godo Kaisha	Investment holding	Japan	JPY100,000	**100**	100
[9]CMA Trustee 1 Pte. Ltd.	Trust services	Singapore	$1	**–**	100

Notes to the Financial Statements

31. 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 as at 31 December 2012 %	2011 %
[10]Crystal I Pte. Ltd.	Investment holding	Singapore	$1	**100**	–
[10]Crystal II Pte. Ltd.	Investment holding	Singapore	$1	**100**	–
[10]Radiant I Pte. Ltd.	Investment holding	Singapore	$1	**100**	–
[10]Radiant II Pte. Ltd.	Investment holding	Singapore	$1	**100**	–
[7,10]CapitaMalls SC Management Godo Kaisha	Lease and management of real estate	Japan	JPY100,000	**100**	–
[10]CMA Japan Trust	Property investment	Singapore	JPY14,790,000,000	**100**	–
[11]CapitaRetail CK Investment Pte. Ltd.	Investment holding	Singapore	$1 (Ordinary) JPY2,237,000,000 (Preference)	**100**	26.29
[6,11]CapitaRetail CK Tokutei Mokuteki Kaisha	Property investment	Japan	JPY156,600,000 (Specified) JPY4,698,500,000 (Preferred)	**100**	26.29
[11]CapitaRetail IH Investment Pte. Ltd.	Investment holding	Singapore	$2 (Ordinary) JPY3,108,500,000 (Preference)	**100**	26.29
[6,11,16]CapitaRetail IH Tokutei Mokuteki Kaisha	Property investment	Japan	JPY2,787,100,000 (Specified) JPY650,000,000 (Preferred)	**100**	26.29

Notes to the Financial Statements

31. 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 as at 31 December 2012 %	2011 %
[11]CapitaRetail LPM Investment Pte. Ltd.	Investment holding	Singapore	$1 (Ordinary) JPY6,936,000,000 (Preference)	**100**	26.29
[6,11,16]CapitaRetail LPM Tokutei Mokuteki Kaisha	Property investment	Japan	JPY1,836,100,000 (Specified) JPY9,400,000,000 (Prefered)	**100**	26.29

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 BSR and Co (a member firm of KPMG International)*

[3] *Audited by KPMG China (a member firm of KPMG International)*

[4] *Audited by KPMG Malaysia (a member firm of KPMG International)*

[5] *Audited by KPMG Hong Kong (a member firm of KPMG International)*

[6] *Audited by KPMG Japan (a member firm of KPMG International)*

[7] *Not required to be audited by laws of country of incorporation*

[8] *This entity is in the process of striking off as at 31 December 2012*

[9] *During the year ended 31 December 2012, this entity was disposed*

[10] *This entity is newly established during the year ended 31 December 2012*

[11] *During the year 2012, the Group increased its stake in these entities from 26.29% to 100.00%*

[12] *Registered as an equity joint venture under PRC law*

[13] *Registered as a wholly owned foreign enterprise (WOFE) under PRC law*

[14] *This subsidiary has the following unsecured debt securities as at 31 December 2012: (i) three-year retail bond of $125.0 million bearing interest of 2.15% per annum with maturity date on 21 January 2014; (ii) 10-year callable step-up retail bond of $400.0 million bearing interest of 3.80% per annum with maturity date on 12 January 2022; (iii) medium term notes of $350.0 million bearing interest of 3.95% per annum with maturity date on 24 August 2017 and medium term notes of $250.0 million bearing interest of 3.70% per annum with maturity date on 29 August 2022.*

[15] *This subsidiary has two classes of senior notes amounting to $63.8 million and $15.9 million as at 31 December 2012 and bear interest of 4.00% and 4.50% per annum respectively with maturity date on 1 April 2014. The notes are fully secured by mortgages on the investment property amounting to $292.5 million.*

[16] *These entities have bonds amounting to $17.7 million in aggregate as at 31 December 2012 and bear interest of 0.66% to 0.85% per annum with maturity dates on 21 December 2020. The bonds (together with the bank loans) are fully secured by mortgages on the investment properties amounting to $540.7 million.*

[17] *This entity has increased its registered capital from US$202,650,000 to US$232,950,000 subsequent to year end.*

Save as disclosed above, all shares in subsidiaries (where applicable) relate to ordinary shares.

32. 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 as at 31 December 2012 %	2011 %
CapitaMall Trust	REIT	Singapore	Not applicable	**27.57**	28.54
CapitaMalls Japan Fund Pte. Ltd.	Investment holding	Singapore	$2 (Ordinary) JPY35,312,200,000 (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	**25.08**	27.00
CapitaMalls China Income Fund	Property investment	Singapore	US$869,745,000	**45.00**	45.00
CapitaMalls China Development Fund II	Property investment	Singapore	$900,000,000	**45.00**	45.00
CapitaMalls China Incubator Fund	Property investment	Singapore	US$425,000,000	**30.00**	30.00
CapitaMalls India Development Fund	Property investment	Singapore	$309,500,003	**45.45**	45.45
[1]Horizon Realty Fund, LLC	Investment holding	Mauritius	US$203,000,100	**21.43**	21.43
[2]CapitaMalls Malaysia Trust	REIT	Malaysia	Not applicable	**35.88**	35.73
[3,4]Reknown City Holdings Limited	Investment holding	British Virgin Islands	US$90	**–**	50.00
[4]CTM Property Trust	Property development	Singapore	$820,000,200	**–**	31.25
[5]CapitaMalls China Development Fund III	Property investment	Singapore	US$306,000,000	**50.00**	–

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 *This entity was reclassified from associates to jointly-controlled entities during the year ended 31 December 2012*

5 *This entity is newly established during the year ended 31 December 2012*

All shares in associates (where applicable) relate to ordinary shares except for CapitaMalls Japan Fund Pte. Ltd., which has two classes of shares, comprising ordinary and preference shares.

Notes to the Financial Statements

33. 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 as at 31 December 2012 %	2011 %
[1]CapitaLand Hualian Management & Consulting (Beijing) Co., Ltd.	Property management and consultancy services	The People's Republic of China	RMB1,000,000	**50.00**	50.00
[2]CapitaLand Retail Prestige Mall Management Private Limited	Property management	India	INR50,000,000	**50.00**	50.00
Orchard Turn Holding Pte. Ltd.	Investment holding	Singapore	$2	**50.00**	50.00
ION Orchard Link Pte. Ltd.	Investment holding	Singapore	$2	**50.00**	50.00
Brilliance Residential (1) Pte. Ltd.	Real estate developer	Singapore	$1,000,000	**50.00**	50.00
Brilliance Mall Trust	Property development	Singapore	$1,000,000	**50.00**	50.00
Jewel Residential (1) Pte. Ltd.	Real estate developer	Singapore	$2	**50.00**	50.00
Infinity Mall Trust	Property development	Singapore	$100	**50.00**	50.00
Infinity Office Trust	Property development	Singapore	$100	**50.00**	50.00
[1,4]Shanghai Bifeng Real Estate Development Co., Ltd.	Property investment	The People's Republic of China	RMB500,000,000	**65.00**	15.00
[4]Full Grace Enterprises Limited	Investment holding	Hong Kong	HK$2	**65.00**	30.00
[1,4]Shanghai Yuefeng Real Estate Development Co., Ltd.	Property investment	The People's Republic of China	RMB1,500,000,000	**72.50**	22.50
[4]Ever Bliss International Limited	Investment holding	Hong Kong	HK$2	**72.50**	45.00

Notes to the Financial Statements

33. JOINTLY-CONTROLLED ENTITIES (CONT'D)

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 as at 31 December 2012 %	2011 %
[1,5]Suzhou Jinghui Properties Co., Ltd.	Real estate development and management	The People's Republic of China	RMB947,310,000	**50.00**	–
[3,5]Prized Corridor Sdn. Bhd.	Property investment and development	Malaysia	RM2	**50.00**	–
[6]Reknown City Holdings Limited	Investment holding	British Virgin Islands	US$90	**50.00**	–
[6]CTM Property Trust	Property development	Singapore	$820,000,200	**31.25**	–

Notes:

All jointly-controlled entities are audited by KPMG LLP Singapore except for the following:

[1] *Registered as an equity joint venture under PRC law and audited by KPMG China (a member firm of KPMG International)*

[2] *Audited by BSR and Co (a member firm of KPMG International)*

[3] *Audited by KPMG Malaysia (a member firm of KPMG International)*

[4] *During the year ended 31 December 2012, the Group acquired 50.00% stake in these entities*

[5] *This entity was aquired during the year ended 31 December 2012*

[6] *This entity was reclassified from associates to jointly-controlled entities during the year ended 31 December 2012*

All shares in jointly-controlled entities (where applicable) relate to ordinary shares.

34. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2013, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations are set out below.

Applicable for the Group's 2013 financial statements

- FRS 19 Employee Benefits (revised 2011), which amends the definition of short term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits.

  The Group currently has a bonus plan based on Economic Value Added (EVA) that was awarded to its key executives. The EVA bonus accrued during the financial year is credited into the bonus account and one-third of the balance in the bonus account will be paid out annually. As at 31 December 2012, the bonus payable is measured on an undiscounted basis.

34. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

Applicable for the Group's 2013 financial statements (Cont'd)

Upon adoption of this standard, the Group will need to measure the bonus payable after one year at the present value of the amount payable.

These amendments will be applied retrospectively and prior periods in the Group's 2013 financial statements will be restated. The Group does not expect any significant financial impact on its financial position or performance from the adoption of the revised FRS 19.

- FRS 113 Fair Value Measurement, which replaces the existing guidance on fair value measurement in different FRSs with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

  The adoption of this standard will require the Group to re-assess the bases used for determining the fair values computed for both measurement and disclosures purposes and would result in more extensive disclosures on fair value measurements.

  In accordance with the transitional provisions, the Group will apply FRS 113 prospectively as of 1 January 2013. On initial application of the standard, the Group does not expect substantial changes to the bases used for determining fair values.

Applicable for the Group's 2014 financial statements

- Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities, which clarifies the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

  The Group currently offsets receivables and payables due from/to the same counterparty if the Group has the legal right to set off the amounts when it is due and payable based on the contractual terms of the arrangement with the counterparty, and the Group intends to settle the amounts on a net basis. Based on the local laws and regulations in certain jurisdictions in which the counterparties are located, the set-off rights are set aside in the event of bankruptcy of the counterparties.

  The amendments will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. On adoption of the amendments, the Group will have to present the respective receivables and payables on a gross basis as the right to set-off is not enforceable in the event of bankruptcy of the counterparty.

- FRS 110 Consolidated Financial Statements, which changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. FRS 110 introduces a single control model with a series of indicators to assess control. FRS 110 also adds additional context, explanation and application guidance based on the principle of control.

  The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment as at 31 December 2012, the Group does not expect any material financial impact on the results and financial position from the adoption of the revised FRS 110.

34. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

Applicable for the Group's 2014 financial statements (Cont'd)

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

  As the Group is currently applying the equity method of accounting for its joint ventures, there will be no material impact to the Group's financial statements when the Group adopts FRS 111 in 2014.

- FRS 112 Disclosure of Interests in Other Entities, which sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

  As FRS 112 is primarily a disclosure standard, there will be no material financial impact on the results and financial position of the Group and the Company upon adoption of this standard by the Group in 2014.

35. 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.

36. SUBSEQUENT EVENTS

Subsequent to the year ended 31 December 2012, the directors proposed a one-tier (tax-exempt) final dividend of 1.625 cents per share in respect of the financial year 2012 which is to be approved at the annual general meeting of shareholders.

On 15 January 2013, CapitaMalls Asia was awarded a site for a mall in Wuhan, China at a price of RMB660.0 million (equivalent to approximately $128.4 million).

Other Information

1. DIRECTORS' REMUNERATION

a) Directors' Compensation Table for the financial year ended 31 December 2012:

Directors of the Company	Salary inclusive of AWS and employer's CPF $	Bonus and other benefits inclusive of employer's CPF[1,2] $	Award of shares[3] $	Directors' Fees inclusive of attendance fee[4] Cash component $	Shares component[5] $	Total $
Payable by Company:						
Executive Director						
Lim Beng Chee	783,040	1,395,173	677,820	–	–	2,856,033
Sub-Total 1	783,040	1,395,173	677,820	–	–	2,856,033
Non-Executive Director						
Liew Mun Leong[6]	–	–	–	184,100[7]	78,900	263,000
Lim Ming Yan[8]	–	–	–	13,786[9]	5,908[9]	19,694
Chua Kheng Yeng Jennie	–	–	–	53,900[7]	23,100	77,000
Lim Tse Ghow Olivier	–	–	–	105,700[7]	45,300	151,000
Sunil Tissa Amarasuriya	–	–	–	91,000	39,000	130,000
Tan Sri Amirsham A Aziz	–	–	–	59,500	25,500	85,000
Dr Loo Choon Yong	–	–	–	107,800	46,200	154,000
Arfat Pannir Selvam	–	–	–	77,700	33,300	111,000
Professor Tan Kong Yam	–	–	–	91,000	39,000	130,000
Yap Chee Keong[10]	–	–	–	153,000	–	153,000
Sub-Total 2	–	–	–	937,486	336,208	1,273,694
				Directors' Fees inclusive of attendance fee[11] Cash component $	**Units component[12] $**	**Total $**
Payable by Subsidiaries:						
Liew Mun Leong[6]	–	–	–	182,400[7]	45,600	228,000
Lim Tse Ghow Olivier[13]	–	–	–	46,800[7]	11,700	58,500
Lim Beng Chee[14]	–	–	–	156,329[15]	26,833[15]	183,162
Sub-Total 3	–	–	–	385,529	84,133	469,662
Total For Directors of the Company	783,040	1,395,173	677,820	1,323,015	420,341	4,599,389

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 2012 is credited into the bonus account and a portion of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a claw back feature, is positive.*

3 *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.*

1. DIRECTORS' REMUNERATION (CONT'D)

a) Directors' Compensation Table for the financial year ended 31 December 2012: (Cont'd)

[4] *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 ("VWAP") of a share in the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the Company's Annual General Meeting ("AGM"). In the event that no dividend is declared at the AGM, the actual number of shares to be allotted and issued to each Non-Executive Director will be based on the VWAP of a share in the Company on the SGX-ST over the 14 trading days immediately after the AGM. The actual number of shares to be allotted will be 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.*

[5] *Each Non-Executive Director is required to hold a number of shares in the Company based on the lower of: (a) the total number of shares in the Company issued and allotted to such Non-Executive Director as payment of the shares component of the Directors' Fees from 2011 onwards; or (b) the equivalent value of the prevailing annual basic retainer fee for a Director of the Company, based on the VWAP of a share in the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the Company's AGM. In the event that no dividend is declared at the AGM, the VWAP will be based on a share in the Company on the SGX-ST over the 14 trading days immediately after the AGM. This requirement shall apply to the Non-Executive Directors during their period of service on the Board and for a period of one year after their resignation as Directors of the Company.*

[6] *Liew Mun Leong will be retiring as a director of the Company and he will not be seeking re-election at the coming Annual General Meeting on 24 April 2013. He retired as a director of CapitaMall Trust Management Limited and CapitaRetail China Trust Management Ltd on 1 January 2013. The cash component of his Fees will be paid to CapitaLand Limited and he will be entitled to retain the shares/ units components of his Fees.*

[7] *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.*

[8] *Lim Ming Yan was appointed as a Director on 25 October 2012.*

[9] *Lim Ming Yan's Fees in cash and shares components are rounded to the nearest dollar.*

[10] *Yap Chee Keong will be retiring as a director of the Company and he will not be seeking re-election at the coming Annual General Meeting on 24 April 2013. He will receive his Fees entirely in cash.*

[11] *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 VWAP of a unit on the SGX-ST over 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 fees of approximately S$48,995 (equivalent to RM121,000) are paid in cash to the Company.*

[12] *Each Non-Executive Director is required to hold a number of units based on the lower of: (a) the total number of units awarded as payment of the units component of the Directors' Fees from 2011 onwards; or (b) the equivalent value of the prevailing annual basic retainer fee for a Director of the Company based on VWAP of a unit on the SGX-ST over 14 trading days immediately after the said shareholders' approval. This requirement shall apply to the Non-Executive Directors during their period of service on the Board and for a period of one year after their resignation as Directors of the Company.*

[13] *Lim Tse Ghow Olivier resigned as a director of CapitaMall Trust Management Limited on 1 November 2012.*

[14] *Lim Beng Chee resigned as a director of CapitaMall Trust Management Limited on 1 November 2012.*

[15] *Lim Beng Chee's fees in cash and units components are rounded to the nearest dollar. The cash component of his Fees will be paid to the Company but he will be entitled to retain the units component of his Fees.*

Other Information

1. DIRECTORS' REMUNERATION (CONT'D)

b) 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]	–	–	–	22,06[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[3] Cash component $	Units component[10] $	
Payable by Subsidiaries:						
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[9]	27,940[9]	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 bonus account will be paid out annually, provided that the account balance, which is subjected to a claw back feature, is positive.*

[3] *Directors' Fees were approved by shareholders and have since been paid.*

[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.*

Other Information

1. DIRECTORS' REMUNERATION (CONT'D)

b) Directors' Compensation Table for the financial year ended 31 December 2011: (Cont'd)

[5] *Each Non-Executive Director is required to hold a number of shares in the Company based on the lower of: (a) the total number of shares in the Company issued and allotted to such Non-Executive Director as payment of the shares component of the Directors' Fees for year 2011 and onwards; or (b) equivalent value of the prevailing annual basic retainer fee for a Director of the Company based on VWAP of a share in the Company based on the VWAP of a share in the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the Company's AGM. In the event that no dividend is declared at the AGM, the VWAP will be based on a share in the Company on the SGX-ST over the 14 trading days immediately after the AGM. This requirement shall apply to the Non-Executive Directors during their period of service on the Board and for a period of one year after their resignation as Directors of the Company.*

[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 on 18 August 2011.*

[8] *Tan Sri Amirsham A Aziz's Fees in cash and shares components are rounded to the nearest dollar.*

[9] *The cash component of Lim Beng Chee's fees will be paid to the Company but he will be entitled to retain the units component of his fees.*

[10] *Each Non-Executive Director is required to hold a number of units based on the lower of: (a) the total number of units awarded as payment of the units component of the Directors' Fees for year 2011 and onwards; or (b) equivalent value of the prevailing annual basic retainer fee for a Director of the Company based on VWAP of a unit on the SGX-ST over 14 trading days immediately after the said shareholders' approval. This requirement shall apply to the Non-Executive Directors during their period of service on the Board and for a period of one year after their resignation as Directors of the Company.*

2. EXECUTIVES' REMUNERATION

a) Remuneration Data (for top 5 key management personnel) for the financial year ended 31 December 2012:

Total Compensation Bands[1]	Name of employees[2]
$1,750,000 to $1,999,999	Ho Chee Hwee Simon
$1,500,000 to $1,749,999	Ng Kok Siong
$1,250,000 to $1,499,999	Yong Kam Yuen Simon, Lock Wai Han, Tan Wee Yan Wilson

[1] *Total Compensation comprises salary, annual wage supplement, bonus, value of contingent awards of shares granted under the RSP and PSP, value of REITs units granted and other benefits in kind.*

[2] *Top 5 Key Management Personnel refer to the Deputy Chief Executive Officer, Chief Financial Officer and Chief Development Officer of CapitaMalls Asia Corporate Office as well as the Chief Executive Officer of CapitaMalls Asia China and Chief Executive Officer of CapitaMall Trust Management Limited.*

2. EXECUTIVES' REMUNERATION (CONT'D)

b) Percentage Breakdown of Remuneration Data (for top 5 key management personnel) for the financial year ended 31 December 2012:

Name of Employee[1]	Salary inclusive AWS and employer's CPF %	Bonus and other benefits inclusive of employer's CPF %	Award of shares[2] %
Ho Chee Hwee Simon	30%	45%	25%
Ng Kok Siong	29%	40%	31%
Yong Kam Yuen Simon	30%	37%	33%
Lock Wai Han	35%	42%	23%
Tan Wee Yan Wilson	35%	40%	25%

1 *Top 5 Key Management Personnel refer to the Deputy Chief Executive Officer, Chief Financial Officer and Chief Development Officer of CapitaMalls Asia Corporate Office as well as the Chief Executive Officer of CapitaMalls Asia China and Chief Executive Officer of CapitaMall Trust Management Limited.*

2 *Award of shares comprises value of contingent awards of shares granted under the RSP and PSP and value of REITs units granted. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP. The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under the RSP and PSP at the time of grant.*

For FY 2012, the aggregate total remuneration paid to the top 5 key management personnel (who are not Directors or the CEO) for the financial year ended 31 December 2012 is $7,782,356.

For FY 2012, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and the top 5 key management personnel other than the contractual notice period termination payment in lieu of service in respect of the executive.

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 (excluding transactions less than S$100,000) which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

The Group	2012 $'000
Transactions with CapitaLand Limited and its associates:	
Sales of goods and services	126,584
Purchase of goods and services	114,060
Transactions with Temasek Holdings (Private) Limited and its associates:	
Sales of goods and services	904
Purchase of goods and services	160
Transactions with Telechoice International Limited and its associates:	
Sales of goods and services	1,700
Transactions with Director, Dr Loo Choon Yong and its associates:	
Purchase of goods and services	422

Other Information

5. MATERIAL CONTRACTS

The material contracts entered into by the CapitaMalls Asia group of companies ("Group") involving the interests of the Group's controlling shareholder, either still subsisting as at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year are as follows:

(a) the collaboration agreement dated 30 October 2009 entered into between the Company and CapitaLand Limited ("CapitaLand") relating to agreed parameters regarding the extent to which the CapitaLand group of companies ("CapitaLand Group") 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 in the Group's business;

(c) the shared services agreement dated 28 December 2012 ("2012 Shared Services Agreement") entered into between the Company and CapitaLand which renews the shared services agreement dated 29 December 2011 ("2011 Shared Services Agreement") on substantially the same terms. Pursuant to the 2012 Shared Services Agreement, CapitaLand is to provide the Group with advisory and other services in relation to adminstration, corporate communications, human resource, information technology, marketing, risk management and treasury functions for the duration of the financial year ending 31 December 2013. The annual fee for the service is computed in accordance with a formula set out in the 2012 Shared Services Agreement, subject to a minimum fee of S$2.5 million per annum;

(d) the agreement dated 28 December 2012 ("2012 IT Infrastructure Agreement") entered into between the Company and CapitaLand which renews the agreement dated 29 December 2011 ("2011 IT Infrastructure Agreement") on substantially the same terms. Pursuant to the 2012 IT Infrastructure Agreement, the Group may use CapitaLand's information technology infrasturcture for the duration of the financial year ending 31 December 2013. The consideration is calculated in accordance with the terms set out in the 2012 IT Infrastructure Agreement and is approximately S$10.3 million;

(e) the joint venture agreement dated 6 September 2010 ("Bedok Joint Venture Agreement") between CMA Singapore Investments (3) Pte. Ltd. (a wholly-owned subsidiary of the Company) and Brilliance Residential Pte. Ltd. (a wholly-owned subsidiary of CapitaLand) to regulate their rights and obligations in connection with, among other things, the joint development of the site located at New Upper Changi Road/Bedok North Drive in Singapore (the "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, in which the Company and CapitaLand each hold an interest of 50%;

(f) the joint venture agreement dated 27 June 2011 ("Jurong Gateway Joint Venture Agreement") between CMA Singapore Investments (4) Pte. Ltd. (a wholly-owned subsidiary of the Company), CMA Singapore Investments (5) Pte. Ltd. (a wholly-owned subsidiary of the Company), HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust, CL JM Pte. Ltd. (a wholly-owned subsidiary of CapitaLand) and CL JO Pte. Ltd. (a wholly-owned subsidiary of CapitaLand) to regulate their rights and obligations in connection with, among other things, the joint development of the site located at Boon Lay Way (the "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 Company, CapitaMall Trust and CapitaLand each hold an interest of 50%, 30% and 20% respectively; and

(g) the joint venture agreement dated 31 August 2012 ("Chao Tian Men Joint Venture Agreement") between CMA China III Pte. Ltd. (a wholly-owned subsidiary of the Company), Casuarina Group Pte. Ltd. (a wholly-owned subsidiary of CapitaLand), Reknown City Holdings Limited (a joint venture between the Company and CapitaLand in which each hold a 50% interest), Singbridge CTM9 Pte. Ltd. (a wholly-owned subsidiary of Temasek) and Singbridge CTM1 Pte. Ltd. (a wholly-owned subsidiary of Temasek) to regulate their rights and obligations in connection with, among other things, the joint development of the site located at Chao Tian Men, Yuzhong District, Chongqing, China (the "Chao Tian Men Site"). The Chao Tian Men Site was awarded at the tender price of approximately S$1,282.8 million to the joint venture entities, in which the Company, CapitaLand and Temasek each hold an interest of 31.25%, 31.25% and 37.5% respectively.

5. MATERIAL CONTRACTS (CONT'D)

Other than as disclosed, no material contacts were entered into by the Group involving the interests of the chief executive officer, any director or controlling shareholder and are either still subsisting at the end of the financial year ended 31 December 2012 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2011 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 a controlling shareholder (as defined in the HKEx Listing Rules) and its subsidiaries which are subsisting during or at the end of the financial year ended 31 December 2012 include:

(a) the 2011 Shared Services Agreement;

(b) the 2012 Shared Services Agreement;

(c) the 2011 IT Infrastructure Agreement;

(d) the 2012 IT Infrastructure Agreement;

(e) the Bedok Joint Venture Agreement;

(f) the Jurong Gateway Joint Venture Agreement;

(g) the Chao Tian Men Joint Venture Agreement;

(h) the leasing services agreement dated 3 December 2012 between JG Trustee Pte. Ltd. in its capacity as trustee of Infinity Mall Trust (the joint venture entity responsible for the development of the retail component of the Jurong Gateway Site) and CapitaLand Retail Management Pte. Ltd. (a wholly-owned subsidiary of the Company) ("CRM") pursuant to which CRM provides to the joint venture leasing, marketing and corporate administration services in relation to the retail component of the development;

(i) the services agreement dated 29 June 2012 between Brilliance Trustee Pte. Ltd. in its capacity as trustee of Brilliance Mall Trust (the joint venture entity responsible for the development of the Bedok Town Centre Site) and CRM pursuant to which CRM provides to the joint venture project management and leasing services in respect of the retail component of the development;

(j) the project management service agreement dated 1 December 2011 between JG Trustee Pte. Ltd. in its capacity as trustee of Infinity Mall Trust and JG2 Trustee Pte. Ltd. in its capacity as trustee of Infinity Office Trust (the joint venture entities responsible for the development of the Jurong Gateway Site) and CapitaLand Retail Project Management Pte. Limited ("CRPM") pursuant to which CRPM provides to the joint venture project management services in respect of the development; and

(k) 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 18 February 2013

SHARE CAPITAL FULLY PAID
S$4,612,589,722 (comprising 3,887,730,345 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	2,544,020,000	65.44
2	Citibank Nominees Singapore Pte Ltd	354,678,076	9.12
3	DBS Nominees Pte Ltd	266,964,572	6.87
4	DBSN Services Pte Ltd	202,628,987	5.21
5	HSBC (Singapore) Nominees Pte Ltd	111,075,844	2.86
6	United Overseas Bank Nominees (Pte) Ltd	73,949,923	1.90
7	BNP Paribas Securities Services Singapore	31,512,920	0.81
8	Raffles Nominees (Pte) Ltd	29,390,459	0.76
9	Morgan Stanley Asia (Singapore) Securities Pte Ltd	6,404,313	0.16
10	DB Nominees (Singapore) Pte Ltd	6,208,984	0.16
11	OCBC Securities Private Ltd	5,565,000	0.14
12	Phillip Securities Pte Ltd	4,707,482	0.12
13	DBS Vickers Securities (Singapore) Pte Ltd	4,615,806	0.12
14	BNP Paribas Nominees Singapore Pte Ltd	3,946,595	0.10
15	Bank Of Singapore Nominees Pte Ltd	3,918,362	0.10
16	UOB Kay Hian Pte Ltd	3,554,000	0.09
17	Heng Siew Eng	3,319,000	0.09
18	Maybank Kim Eng Securities Pte Ltd	3,147,000	0.08
19	Merrill Lynch (Singapore) Pte. Ltd.	2,508,376	0.06
20	OCBC Nominees Singapore Private Limited	2,486,082	0.06
		3,664,601,781	94.25

Shareholding Statistics
As at 18 February 2013

SUBSTANTIAL SHAREHOLDERS
As shown in the Register of Substantial Shareholders as at 18 February 2013

	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	2,549,570,593	65.58	2,549,570,593	65.58
CapitaLand Limited ("CapitaLand")	2,544,020,000	65.44	0	0	2,544,020,000	65.44

Note:

[1] *By virtue of Section 7 of the Companies Act, Cap. 50 of Singapore, Temasek is deemed to have an interest in 2,549,570,593 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.*

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	37	0.12	12,113	0.00
1,000 - 10,000	27,138	88.04	94,377,905	2.43
10,001 - 1,000,000	3,624	11.76	123,429,193	3.17
1,000,001 and above	24	0.08	3,669,911,134	94.40
	30,823	100.00	3,887,730,345	100.00

Approximately 34.34% 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 Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Wednesday, 24 April 2013 at 2.00 p.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 2012 and the Auditors' Report thereon. (Ordinary Resolution 1)

2. To declare a final 1-tier dividend of S$0.01625 per share for the year ended 31 December 2012. (Ordinary Resolution 2)

3. To approve Directors' fees of S$1,273,694 for the year ended 31 December 2012 comprising: (Ordinary Resolution 3)

   (a) S$937,486 to be paid in cash (2011: S$810,961.20); and

   (b) S$336,208 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 (2011: S$347,554.80),

   and for the purpose of (b) above, to authorise the Directors of the Company to allot and issue such number of shares as may be required to be allotted and issued in payment of the share component of the Directors' fees as aforesaid, and to do all things necessary or desirable to give effect thereto.

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) Mr Sunil Tissa Amarasuriya (Ordinary Resolution 4(i))
   (ii) Professor Tan Kong Yam (Ordinary Resolution 4(ii))

5. To re-elect the following Directors, who are retiring pursuant to Article 101 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:

   (i) Mr Lim Ming Yan (Ordinary Resolution 5(i))
   (ii) Mr Ng Kee Choe (Ordinary Resolution 5(ii))
   (iii) Mr Bob Tan Beng Hai (Ordinary Resolution 5(iii))

6. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

Notice of Annual General Meeting

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following resolutions as Ordinary Resolutions:

7. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), authority be and is hereby given to the Directors of the Company to: (Ordinary Resolution 7)

(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.

8. That the Directors of the Company be and are hereby authorised to: (Ordinary Resolution 8)

(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 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.

Notice of Annual General Meeting

9. That the Directors of the Company be and are hereby authorised, for the purposes of, in connection with or where contemplated by the CapitaMalls Asia Dividend Reinvestment Scheme established by the Company (the "Dividend Reinvestment Scheme"), to: (Ordinary Resolution 9)

   (a) 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 allotted and issued; and/or

   (b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, allot and issue such number of fully-paid shares in the capital of the Company as may be required to be allotted and issued pursuant to the application of the Dividend Reinvestment Scheme to any dividend which was approved while the authority conferred by this Resolution was in force,

   at any time and upon such terms and conditions and to or with such persons as the Directors of the Company may, in their absolute discretion, deem fit.

BY ORDER OF THE BOARD

CHOO WEI-PIN
Company Secretary

Singapore
15 March 2013

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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong shareholders), not later than 22 April 2013 at 2.00 p.m. being 48 hours before the time fixed for the AGM of the Company.

Explanatory notes:

1 In relation to item 3 under the heading "As Ordinary Business", the total compensation of the non-executive Directors for 2012 comprises a combination of cash and shares. If approved, the aggregate amount of Directors' fees of S$1,273,694 will be paid as to S$937,486 in cash, and S$336,208 in the form of shares to be allotted and issued by the Company with any residual balance to be paid in cash. 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 (save in the case of Mr Yap Chee Keong, who is retiring from the Board at the conclusion of the AGM and will receive all of his Directors' fees in cash). The actual number of shares to be allotted and issued will be based on the volume-weighted average price of a share in the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the AGM. The actual number of shares to be allotted will be 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 AGM. In addition, in order to encourage the alignment of interests of the non-executive Directors with the interests of shareholders, each non-executive Director is required to hold a number of shares in the Company based on the lower of (a) the total number of shares in the Company issued to such non-executive Director as payment of the shares component of his/her Directors' fees from 2011 onwards; or (b) the equivalent value of the prevailing annual basic retainer fee for a Director of the Company. This requirement applies to the non-executive Directors during their period of service on the Board and for a period of one year after their resignation as Directors of the Company. In respect of Mr Liew Mun Leong, Mr Lim Ming Yan 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. In respect of Ms Chua Kheng Yeng Jennie, who was an employee of CL up till 30 July 2012, the portion of the cash component of her Director's fees from 1 January 2012 to 30 July 2012 will be paid to CL and she will be entitled to retain the remaining portion of the cash component of her Directors' fees and the shares component of her Directors' fees. In respect of Mr Yap Chee Keong, he will receive all of his Directors' fees in cash. Directors and their associates must abstain from voting on Ordinary Resolution 3.

Commencing with the financial year 2011 it is intended that share awards will have a direct linkage to the total compensation of the non-executive Directors. Accordingly, the non-executive Directors' aggregate Directors' fees for 2012 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 2012.

2 In relation to item 4 under the heading "As Ordinary Business", Mr Liew Mun Leong and Mr Yap Chee Keong retire by rotation pursuant to Article 95 of the Articles of Association of the Company at the AGM and are not seeking re-election. The retirement of Mr Liew and Mr Yap as Directors of the Company will take effect upon the conclusion of the AGM. Mr Liew will concurrently cease to serve as Chairman of the Corporate Disclosure Committee and the Investment Committee and a Member of the Executive Resource and Compensation Committee and the Nominating Committee. Mr Yap will concurrently cease to be Chairman of the Audit Committee and a Member of the Finance and Budget Committee.

In relation to items 4(i) and 4(ii) under the heading "As Ordinary Business", Mr Sunil Tissa Amarasuriya will, upon re-election, continue to serve as a Member of the Audit Committee and the Executive Resource and Compensation Committee; and Professor Tan Kong Yam will, upon re-election, continue to serve as a Member of the Audit Committee and the Investment Committee. Please refer to Appendix I for the biographical details of Mr Amarasuriya and Professor Tan.

3 In relation to items 5(i), 5(ii) and 5(iii) under the heading "As Ordinary Business", Article 101 of the Articles of Association of the Company 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 Annual General Meeting of the Company, and shall then be eligible for re-election. Mr Lim Ming Yan, appointed on 25 October 2012, and Mr Ng Kee Choe and Mr Bob Tan Beng Hai, both appointed on 1 March 2013, are seeking re-election at the AGM. Mr Lim is considered a non-independent non-executive Director and, upon re-election, Mr Lim will succeed Mr Liew Mun Leong as Chairman of the Corporate Disclosure Committee and the Investment Committee, and a Member of the Executive Resource and Compensation Committee and the Nominating Committee. Upon re-election, Mr Ng will succeed Mr Liew as Chairman of the Company, and Mr Tan will succeed Mr Yap Chee Keong as Chairman of the Audit Committee. Please refer to Appendix II for the biographical details of Mr Lim, Mr Ng and Mr Tan.

4 Ordinary Resolution 7 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 until the date of the next Annual General Meeting 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 7 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 7 is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

5 Ordinary Resolution 8 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 9 under the heading "As Special Business", if passed, will empower the Directors to allot and issue fully-paid shares in the capital of the Company for the purposes of, in connection with or where contemplated by the Dividend Reinvestment Scheme.

Appendix I

BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED PURSUANT TO ARTICLE 95 AT THE AGM

Set out below are details of Mr Sunil Tissa Amarasuriya and Professor Tan Kong Yam, 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 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 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 1 March 2013, 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 Mr Sunil Tissa Amarasuriya and Professor Tan Kong Yam that needs 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.

Mr Sunil Tissa Amarasuriya, aged 64, 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 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.

There is no service contract entered into between Mr Amarasuriya 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.

Mr Amarasuriya is entitled to receive an annual basic retainer fee of S$65,000 per annum. Additional fees of S$25,000 per annum and S$20,000 per annum will be payable to him for his respective membership of the Audit Committee and the Executive Resource and Compensation Committee. Attendance fees of S$3,000 per Board meeting and S$2,000 per Board committee meeting will also be payable to him. The fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies of similar size 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 1 March 2013, Mr Amarasuriya had an interest in 63,635 shares of the Company.

Professor Tan Kong Yam, aged 57, 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 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.

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.

There is no service contract entered into between Professor Tan 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.

Professor Tan is entitled to receive an annual basic retainer fee of S$65,000 per annum. Additional fees of S$25,000 per annum will be payable to him for his respective membership of the Audit Committee and the Investment Committee. Attendance fees of S$3,000 per Board meeting and S$2,000 per Board committee meeting will also be payable to him. The fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies of similar size 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 1 March 2013, Professor Tan had an interest in 38,429 shares of the Company.

Appendix II

BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED PURSUANT TO ARTICLE 101 AT THE AGM

Set out below are details of Mr Lim Ming Yan, Mr Ng Kee Choe and Mr Bob Tan Beng Hai. Mr Lim was appointed to the Board with effect from 25 October 2012. Mr Ng and Mr Tan were appointed to the Board with effect from 1 March 2013. Pursuant to Article 101 of the Articles of Association of the Company, Mr Lim, Mr Ng and Mr Tan shall hold their offices only until the AGM, and will be retiring at the AGM. Being eligible, Mr Lim, Mr Ng and Mr Tan will 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 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 1 March 2013, 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 Mr Lim Ming Yan, Mr Ng Kee Choe and Mr Bob Tan Beng Hai that needs 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.

Mr Lim Ming Yan, aged 49, joined the Board as a Non-Independent Non-Executive Director on 25 October 2012. He is also a Member of the Investment Committee.

Mr Lim is President and Chief Executive Officer of CapitaLand Group and a Director of CapitaLand Limited ("CL"). He is also Chairman of CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, The Ascott Limited ("Ascott"), CapitaLand Commercial Limited, CapitaLand Malaysia Pte. Ltd., CapitaLand Financial Limited and CapitaValue Homes Limited.

Mr Lim is 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 Lim was the Chief Operating Officer of CapitaLand Limited from May 2011 to December 2012. He was the Chief Executive Officer of Ascott from July 2009 to February 2012. Prior to joining Ascott, Mr Lim was the Chief Executive Officer of CapitaLand China Holdings Pte Ltd from November 2000 to June 2009, responsible for growing CapitaLand into a leading foreign real estate developer in China.

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

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

There is no service contract entered into between Mr Lim 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.

Mr Lim is entitled to receive an annual basic retainer fee of $65,000 per annum. Upon the retirement of Mr Liew Mun Leong at the conclusion of the AGM, additional fees of S$44,000 per annum and S$22,000 per annum respectively will be payable to Mr Lim for his chairmanship of the Investment Committee and the Corporate Disclosure Committee; additional fees of S$20,000 per annum and S$17,000 per annum respectively will be payable to him for his membership of the Executive Resource and Compensation Committee and the Nominating Committee. Attendance fees of S$3,000 per Board meeting and S$2,000 per Board committee meeting will also be payable to him. The fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies of similar size 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 1 March 2013, Mr Lim had an interest in 96,864 shares of the Company.

Mr Ng Kee Choe, aged 68, joined the Board as a Non-Executive Director on 1 March 2013.

Mr Ng is currently Chairman and an Independent Non-Executive Director of CL. He is also Chairman of CL's Investment Committee and a Member of its Executive Resource and Compensation Committee, Nominating Committee and Finance and Budget Committee.

Mr Ng is presently Chairman of SP Ausnet (listed on both SGX-ST and Australian Securities Exchange) and NTUC Income Insurance Co-Operative Limited and Tanah Merah Country Club and President-Commissioner of PT Bank Danamon Indonesia Tbk (listed on the Indonesia Stock Exchange). Mr Ng is a member of the Temasek Advisory Panel and International Advisory Council of China Development Bank. In addition, he is also a Director of Singapore Exchange Limited (listed on the SGX-ST) and Fullerton Financial Holdings Pte Ltd.

Mr Ng was previously Chairman of Singapore Power Limited and a Director of Singapore Airport Terminal Services Limited. He was also the Vice-Chairman of DBS Group Holdings Ltd ("DBS"). He retired from his executive position with DBS in July 2003 after 33 years of service.

Mr Ng was awarded the Public Service Star in 2001.

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

There is no service contract entered into between Mr Ng 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.

Mr Ng is entitled to receive an annual basic retainer fee of $65,000 per annum. Upon the retirement of Mr Liew Mun Leong at the conclusion of the AGM, an additional fee of S$81,000 per annum will be payable to Mr Ng for his chairmanship of the Board. An attendance fee of S$3,000 per Board meeting will also be payable to him. The fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies of similar size 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 1 March 2013, Mr Ng had an interest in 130,000 shares of the Company.

Appendix II

Mr Bob Tan Beng Hai, aged 60, joined the Board as an Independent Non-Executive Director on 1 March 2013. He is also a Member of the Audit Committee and the Finance and Budget Committee.

Mr Tan is currently Chairman of Jurong Engineering Limited, Singapore LNG Corporation Pte Ltd and the Singex Group of companies. He is also a Director of SMRT Corporation Ltd (listed on the SGX-ST) and SBF Holdings Pte Ltd.

Mr Tan is also Chairman of the Institute of Technical Education, President of the Singapore Golf Association, Vice President of the Singapore National Employers Federation, Honorary Treasurer of the Singapore Business Federations and a Board member at the Ong Teng Cheong Labour Leadership Institute. In addition, Mr Tan also serves as a member of the NTUC Club Management Council.

Mr Tan was awarded the Public Service Star Award in 2010 and a Friend of Labour Award in 2000.

Mr Tan is a Fellow of the Institute of Chartered Accountants in England and Wales.

There is no service contract entered into between Mr Tan 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.

Mr Tan is entitled to receive an annual basic retainer fee of $65,000 per annum. An additional fee of S$20,000 per annum will be payable to him for his membership of the Finance and Budget Committee. Upon the retirement of Mr Yap Chee Keong at the conclusion of the AGM, an additional fee of S$44,000 per annum will be payable to Mr Tan for his chairmanship of the Audit Committee. Attendance fees of S$3,000 per Board meeting and S$2,000 per Board committee meeting will also be payable to him. The fees were determined by the Board based on the recommendations of an independent advisor, which conducted a market review of several major listed companies of similar size 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 1 March 2013, Mr Tan had no interest in the shares of the Company.

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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 Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Wednesday, 24 April 2013 at 2.00 p.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 Final Dividend		
3	Approval of Directors' Fees		
4(i)	Re-election of Mr Sunil Tissa Amarasuriya as Director		
4(ii)	Re-election of Professor Tan Kong Yam as Director		
5(i)	Re-election of Mr Lim Ming Yan as Director		
5(ii)	Re-election of Mr Ng Kee Choe as Director		
5(iii)	Re-election of Mr Bob Tan Beng Hai as Director		
6	Re-appointment of Messrs KPMG LLP as Auditors and authorise the Directors to fix the Auditors' remuneration		
	Special Business		
7	Authority for Directors to issue shares and to make or grant instruments pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore		
8	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		
9	Authority for Directors to allot and issue shares pursuant to the CapitaMalls Asia Dividend Reinvestment Scheme		

*If you wish to exercise all your votes "For" or "Against", please tick [√] within the box provided.

Dated this ____________ day of ____________ 2013

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

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[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

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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, Chapter 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 exclusion 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 fixed 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, Chapter 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 and/or the Hong Kong Branch Register of Members, 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 and/or the Hong Kong Branch Register of Members at least 48 hours before the time appointed for holding the Annual General Meeting, as certified by the CDP/Hong Kong 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 Annual General Meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the Annual General Meeting.

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Corporate Directory

Board of Directors
Mr Liew Mun Leong (Chairman)
Mr Ng Kee Choe
Mr Lim Ming Yan
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 Bob Tan Beng Hai
Mr Lim Beng Chee (CEO)

Company Secretaries
Mr Choo Wei-Pin
Ms Tan Lee Nah

Audit Committee
Mr Yap Chee Keong (Chairman)
Mr Bob Tan Beng Hai
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 Bob Tan Beng Hai
Mr Lim Beng Chee

Investment Committee
Mr Liew Mun Leong (Chairman)
Mr Lim Ming Yan
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

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Singapore Land Tower
Singapore 048623
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Facsimile: +65 6536 1360

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Facsimile: +65 6225 0984
(Engagement Partner since financial year ended 31 December 2010: Ms Eng Chin Chin)

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Agricultural Bank of China Limited
Australia and New Zealand Banking Group Limited
Bank of China Limited
China Merchants Bank., Limited
CIMB Bank Berhad
DBS Bank Ltd
Industrial and Commercial Bank of China Limited
Malayan Banking Berhad
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
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