Clarity

Sustainable Growth

CapitaMalls Asia Limited
Annual Report 2013

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

Sustainable Growth

CapitaMalls Asia Limited (CMA) is focused on delivering stable returns through developing, owning, operating and enhancing shopping malls in Singapore, China, Malaysia, Japan and India. Through a sustainable and integrated business model underpinned by strong recurring income, we are well-positioned to ride on the growth of consumption in Asia. Leveraging on our strong management, execution capabilities and rich pool of talent, CMA continues to extend our leadership in shopping malls across the region.

Clarity

Clarity enables us to enhance organisational performance through operational excellence and efficiencies.

Contents

Corporate Profile

CMA is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. CMA has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It has interests in and manages a pan-Asian portfolio of 105 shopping malls across 53 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$34.3 billion and a total GFA of approximately 98.5 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.

CMA'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.

Vision

To be Asia's leading mall developer, owner and manager.

Mission

To constantly innovate, achieve sustainable growth and create value through acquisition, development and management of our retail platforms.

For Investors:
Deliver sustainable total returns

For Tenants:
Create profitable opportunities

For Shoppers:
Create delightful shopping and lifestyle experiences

For Employees:
Provide opportunities to realise personal potential and achieve professional growth

For Community:
Promote social responsibility and environmental sustainability

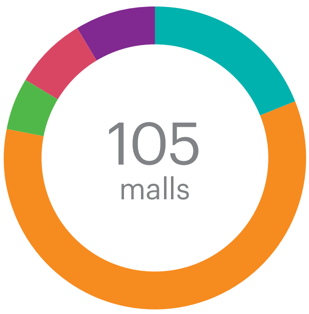
Financial Highlights FY 2013

Financial Performance FY 2013

Profit After Tax & Minority Interest (PATMI)	Revenue Under Management
+9.9%	+17.0%
S$600.0m	S$2.1b

Total Net Asset Value (NAV)	Total Revenue
+10.4%	+5.3%
S$7.2b	S$380.4m

Highlights of FY 2013



BY TOTAL GFA (%)

Singapore	14.8
China	70.4
Malaysia	5.6
Japan	2.5
India	6.7

BY PROPERTY VALUE (%)

Singapore	45.0
China	47.3
Malaysia	4.5
Japan	2.0
India	1.2

BY NUMBER OF MALLS

Singapore	20
China	62
Malaysia	6
Japan	8
India	9

Shopper Traffic & Tenants' Sales

	Singapore[1]	China[2]	Malaysia[3]	Japan[4]	India
shopper traffic	+2.4%	+2.2%	(2.5%)	+3.4%	+6.1%
tenants' sales	+3.2%	+10.1%	–	+6.0%	+4.4%

Growth figures are for malls opened before 1 January 2012.

1 Excludes JCube, The Star Vista, Westgate and Bedok Mall.

2 Excludes three master leased malls under CRCT. Excludes tenants' sales from supermarkets and department stores.

3 Point of sales system not ready.

4 For Vivit Minami-Funabashi and Chitose Mall only.

Letter to Shareholders

The Group will remain focused on sharpening its execution and growing its underlying recurring income while continuing to deepen its presence in key gateway cities and ride on Asia's consumption growth. With a strong balance sheet and pipeline of malls under development, CMA will continue to perform on a sustainable growth trajectory.

(Left) **Lim Beng Chee,** Chief Executive Officer | (Right) **Ng Kee Choe,** Chairman

DEAR SHAREHOLDERS,

CapitaMalls Asia (CMA) delivered a strong set of results for 2013 despite the volatile macro environment. The Group leveraged its operational excellence, growth pipeline and financial strength to further build its scale and strengthen its market positions in key cities. CMA now owns and manages 105 shopping malls across Singapore, China, Malaysia, Japan and India, of which 85 are operational and the remaining 20 are under development.

KEY FINANCIAL HIGHLIGHTS

For the year ended 31 December 2013, the Group posted profit after tax and minority interests (PATMI) of S$600.0 million, a 9.9% growth over 2012. Reflecting the strength of its underlying business, operating PATMI increased 40.1% to S$246.3 million. The Group's net tangible assets (NTA) per share rose from S$1.67 to S$1.84. Including the total dividends paid out, the total growth in NTA in 2013 was 12.2%.

FOCUS ON CORE MARKETS OF SINGAPORE, CHINA AND MALAYSIA

The Group's long-term strategy is to focus on cities and regions in its core markets of Singapore, China and Malaysia. The Group acquired stakes in four shopping malls in 2013 across Singapore and China with a total investment commitment of more than S$2.2 billion to strengthen its growth pipeline.

Total assets under management, including the three listed real estate investment trusts (REITs) and six private funds that CMA manages, reached S$25.3 billion as at 31 December 2013.

Singapore

CMA maintained its market leadership in Singapore through its portfolio of 20 malls. For malls that opened prior to 2012, tenants' sales per square foot increased by a healthy 3.2% while same mall net property income grew by a stronger 4.5% compared to the previous year.

CMA also opened two malls that were highly anticipated in 2013. Westgate in Jurong Gateway opened with about 90.0% committed occupancy. As a premier family and lifestyle mall, Westgate brings city centre shopping to the west of Singapore. Bedok Mall, which opened with full occupancy, is the first major mall in Singapore's largest housing estate. Bedok Residences, the residential apartments above the mall, is on track for completion by 2015.

CMA's position in Singapore was further strengthened with the acquisition of Project Jewel at Changi Airport through a 49:51 joint venture with Changi Airport Group. With a total gross floor area (GFA) of 1,443,000 square feet and total development cost of about S$1.47 billion, this iconic mixed-use development will comprise facilities for airport operations, indoor gardens, leisure attractions, retail offerings, hotel facilities and a car park, all under one roof. It will be a "must visit" destination for tourists, transiting airport passengers and Singapore residents when it is completed in 2018.

China

CMA presently has a portfolio of 62 shopping malls across 37 cities in China, with a total GFA of 69.4 million square feet. Of these, 51 malls are operational and 11 under development. In 2013, tenants'

S$600.0m
Profit After Tax And Minority Interests

For the year ended 31 December 2013, the Group posted profit after tax and minority interests (PATMI) of S$600.0 million, a 9.9% growth over 2012.

S$2.2b
New Investments

The Group acquired stakes in four shopping malls in 2013 across Singapore and China with a total investment commitment of more than S$2.2 billion to strengthen its growth pipeline.

S$1,004.3m
Cash Position

CMA ended the year with S$1,004.3 million cash, maintaining a healthy balance sheet and liquidity position with a net debt to total assets ratio, on an effective basis, of 36.0%.

sales increased by a strong 13.2% while same mall net property income grew by 13.1% compared to 2012.

CMA successfully opened two malls in 2013, both in Chengdu. They are CapitaMall Meilicheng and the second phase of CapitaMall Jinniu. Both malls opened with high committed occupancies of over 90.0%.

The Group continued to lay the foundation for future growth through three acquisitions. In January, CMA acquired a prime site at Gutian for the development of its fourth mall in Wuhan, a major transport and commercial hub in Central China.

CMA further extended its market presence in Beijing with the acquisition of CapitaMall Grand Canyon through its sponsored real estate investment trust (REIT), CapitaRetail China Trust (CRCT).

In November, CMA made a strategic entry into the first-tier city of Guangzhou by acquiring CapitaMall SKY+. Strategically located in the thriving core commercial centre of Baiyun New Town in Baiyun District and with an adjoining 200-metre-high office tower – the tallest landmark in the district – it will be an iconic shopping mall with differentiated offerings for under-served shoppers when it opens in phases in 2014.

Malaysia

CMA has interests in six shopping malls in Malaysia – in Kuala Lumpur, Selangor, Penang and Kuantan – with an aggregate GFA of 5.5 million square feet. Apart from Melawati Mall, all the malls are operational.

CMA started construction of Melawati Mall in October. Located on prime commercial land in Taman Melawati north-east of Kuala Lumpur, Melawati Mall is a 50:50 joint venture with Sime Darby Property. It is the Group's first greenfield development in Malaysia and is targeted for completion in 2016.

PROACTIVE CAPITAL MANAGEMENT

CMA ended the year with S$1,004.3 million cash, maintaining a healthy balance sheet and liquidity position with a net debt to total assets ratio, on an effective basis, of 36.0%. Less than 6.1% of the Group's total debt is due within one year, and average debt maturity profile remains stable at 4.3 years. To manage volatility of interest rate movements, 89.3% of the Group's debt portfolio is fixed-rate borrowing as at 31 December 2013.

The Group raised about S$300.0 million from the financial markets in 2013. These included CapitaMall Trust's issuance of 7-year notes amounting to S$100.0 million, and another series of 7-year notes totalling ¥10.0 billion, which has been swapped to S$126.0 million. CRCT also raised about S$59.0 million by issuing 45.4 million new units through a non-renounceable preferential offering for the acquisition of CapitaMall Grand Canyon.

To further optimise the Group's balance sheet, CMA recycled capital by injecting three China malls under development – CapitaMall 1818 in Wuhan, CapitaMall Xinduxin in Qingdao and the integrated development in Luwan district in Shanghai – into CapitaMalls China Development Fund III.

The Directors are pleased to propose a final dividend of 1.75 Singapore cents a share for FY 2013. Including the interim dividend of 1.75 Singapore cents a share declared in July 2013, the total dividend proposed for full year 2013 amounts to 3.5 Singapore cents per share – up 7.7% from 2012.

ADDING VALUE TO TENANTS AND SHOPPERS

CMA continues to innovate and find ways to add value to its tenants and shoppers. For its tenants, CMA organised more than 10 seminars and workshops under its Biz+ programme last year, which were attended by an estimated 1,400 tenants in Singapore, China and Malaysia. Topics covered were close to the hearts of its tenants, such as service quality, innovation and creativity, visual merchandising, customer behaviour and relationship management.

Leveraging digital technology to understand shoppers is at the core of CMA's digital strategy. In 2011, the Group launched CAPITASTAR, its cardless rewards programme where shoppers can easily register their purchases made in CapitaMalls and are rewarded with points that they can redeem for CapitaVouchers for free spending in the malls. CMA is also working with retailers to harness the data gleaned from CAPITASTAR for more targeted retail offerings, to further delight shoppers. Registration is gaining momentum. A key milestone was the tie-up with the People's Association (PA), which enabled the Group to reach out to more than 1 million PAssion Card members. In China, the number of CapitaMalls participating in the CAPITASTAR programme increased to a total of 19. As at 31 December 2013, more than 500,000 shoppers in Singapore and China have signed up for CAPITASTAR – more than double the number in 2012.

Shopping goes beyond the physical purchase of goods and services. CMA believes that digital, social and mobile technologies provide opportunities to integrate its physical malls with the digital world, and that such technologies are enablers to further enhance the shopping experience. As such, CMA launched the Electronic Queue Management System (eQMS) in its Singapore CapitaMalls last year. Instead of queuing physically outside their favourite restaurants or at the malls' customer service counters, shoppers can continue shopping. They will be notified via an SMS or mobile app notification to return to the restaurant or customer service counter when their turn is near. CMA has also started to progressively introduce free Wi-Fi at its CapitaMalls in Singapore and China.

SUSTAINABILITY

Developing Human Capital

CMA now has more than 4,000 staff. CMA continues to strengthen the training across all levels of staff, from technicians and young leaders to senior managers. The Group 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 CMA Immersion Programme to accelerate their assimilation into the company. CMA's online learning platform, iCampus, now offers more than 300 courses in English and Chinese to help staff learn at their own pace.

Corporate Social Responsibility

The Group continues to be committed to being socially responsible. About 21,000 underprivileged children in Singapore, China, Malaysia, Japan and India received some S$500,000 worth of school and daily necessities under the Group's signature "My Schoolbag" programme. The donation was made possible with funding from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

The Group's malls across the region held community activities in support of various causes throughout the year. In China, the activities included mid-autumn celebrations with underprivileged children at CapitaMall Wuhu, and intellectually disabled students at CapitaMall Yuhuating in Changsha; outreach activities catering to the elderly to mark China's Seniors' Day at CapitaMall Taohualun in Yiyang; and delivery of baby supplies to earthquake-hit Ya'an in Sichuan Province. Hongkou Plaza and CapitaMall Qibao in Shanghai, as well as CapitaMall Rizhao, carved out spaces for mini farms to help cultivate a respect and love for nature among children growing up in the two cities.

BOARD

Mr Liew Mun Leong retired as Chairman of the Board and was succeeded by Mr Ng Kee Choe. Mr Bob Tan Beng Hai also succeeded Mr Yap Chee Keong as Chairman of our Audit Committee. On behalf of the Board and staff, we extend our deep appreciation to Mr Liew and Mr Yap for their contributions to CMA and wish them well in their future endeavours. Both Mr Ng and Mr Tan bring with them extensive experiences and a sterling record of achievements, and we look forward to their counsel and contributions in the years ahead.

LOOKING FORWARD

CMA remains cautiously optimistic in 2014 as the recovery in the global economy gains momentum. The Group expects retail sales in its key markets of Singapore, China and Malaysia to continue to grow.

The Group will remain focused on sharpening its execution and growing its underlying recurring income while continuing to deepen its presence in key gateway cities and ride on Asia's consumption growth. With a strong balance sheet and pipeline of malls under development, CMA will continue to perform on a sustainable growth trajectory. CMA targets to open four new malls in 2014. They are: CapitaMall Tianfu in Chengdu, CapitaMall SKY+ in Guangzhou and two malls in India, in Hyderabad and Mangalore.

On behalf of the Board and management, we wish to express our appreciation to all our shareholders, business partners, associates and staff for their strong support and commitment.

NG KEE CHOE
Chairman

LIM BENG CHEE
Chief Executive Officer

27 February 2014

致股东函件

集团将继续专注加强执行能力和增加核心经常性收入，并继续拓展于主要门户城市的业务和把握亚洲消费的增长势头。凭借强劲的负债资产表和在建项目，凯德商用将继续遵循可持续增长的轨道发展。

尊敬的各位股东，

凯德商用于2013年实现强劲的业绩表现。尽管宏观环境波动不定，集团充分利用其营运实力，增长组合及财务优势，进一步扩大营运规模并巩固于主要城市的市场地位。凯德商用目前在新加坡、中国、马来西亚、日本和印度拥有并管理105家购物中心，其中85家营运中，其余20家正在开发中。

财务摘要

截至2013年12月31日的财政年度，集团的除税及少数股东权益后利润(PATMI)为600.0百万新元，同比去年增长9.9%。营运PATMI为246.3百万新元，同比去年增长40.1%，这反映了其核心业务的实力。集团每股有形资产净值由1.67新元上扬至1.84新元。包括已付股息在内，有形资产净值总增幅为12.2%。

专注于核心市场新加坡、中国和马来西亚

集团的主要长期策略是专注于新加坡、中国和马来西亚三大核心市场的城市及区域。2013年，为进一步巩固其增长基础，集团在新加坡和中国收购了四家购物中心的股份，总承诺投资额超过22亿新元。

截至2013年12月31日，包括由凯德商用管理的三个上市房地产投资信托及六个私募基金，凯德商用管理的总资产达253亿新元。

新加坡

凯德商用在新加坡拥有20家购物中心，继续保持其市场领导地位。于2012年前开业的购物中心，租户每平方尺的销售额同比去年增长3.2%，以同个购物中心计算的净物业收入相较去年上升4.5%。

旗下两家购物中心在热烈期待下于2013年开业。位于裕廊商业区的西城，开业时的承诺出租率约90.0%。作为领先的家庭及生活休闲购物中心，西城为新加坡西部带来市区的购物体验。勿洛广场是位于新加坡最大型住宅区勿洛的首个大型购物中心，所有店铺于开业时已租出。建在购物中心之上的公寓项目勿洛馨居，按进度将于2015年竣工。

凯德商用通过与樟宜机场集团成立分别占49%及51%权益的合资公司，收购位于樟宜机场的"宝石计划"，进一步巩固其在新加坡的市场地位。该项目的总建筑面积达1,443,000平方尺，总开发成本约为14.7亿新元。此标志性综合体项目将包括机场运作设施、室内花园、休闲景点、零售商店、酒店及停车场。于2018年竣工后，将成为旅客、转机乘客和新加坡居民必访的景点。

中国

凯德商用目前在中国37个城市拥有62家购物中心，总建筑面积达69.4百万平方尺。其中，51家已开业营运，11家正在开发中。2013年，租户销售总额强劲增长13.2%，以同个购物中心计算的净物业收入则相较去年上升13.1%。

2013年，凯德商用两家位于成都的购物中心开业，分别是凯德广场 • 魅力城及凯德广场 • 金牛二期。两家购物中心开业时的承诺出租率均超过90.0%。

集团于年内完成三项收购，继续为未来的发展奠下基石。2013年1月，凯德商用收购一幅位于武汉古田地区的优质地块，用于发展其在武汉(华中地区重要的交通及商业枢纽)的第四家购物中心。

凯德商用也通过其发起的房地产投资信托凯德商用中国信托收购凯德MALL • 大峡谷，进一步扩展我们在北京的市场份额。
2013年11月，凯德商用首次进军广州一线城市，收购凯德广场 • 云尚。该项目的地理位置优越，位于白云区白云新城兴旺的核心商业中心，连接一座200米高办公楼，即区内最高的地标。它将从2014年分期开业，以多样化的零售选择满足购物者的需求，成为该区的标志性购物中心。

马来西亚

凯德商用在马来西亚的吉隆坡、雪兰莪、槟城及关丹拥有六家购物中心，总建筑面积达5.5百万平方尺。除Melawati Mall外，所有购物中心已开业营运。

凯德商用的Melawati Mall于10月开工建设。Melawati Mall位于吉隆坡东北部Taman Melawati商用地段，是凯德商用与森达美地产各占50%权益合资开发的项目。它是集团在马来西亚的首个开发项目，预期2016年竣工。

积极的资本管理

凯德商用的资产负债表及流动资金状况维持稳健，截至年底的现金为1,004.3百万新元，净负债对总资产比率按实际权益基准计算为36.0%。少于6.1%的集团总债务于一年内到期，平均债务到期情况维持稳定，为4.3年。为应对利率的波动性，截至2013年12月31日，集团高达89.3%的债务组合为固定利率债务。

集团于2013年从金融市场共筹得三亿新元，其中包括凯德商用新加坡信托所发行的七年期总值一亿新元的票据，以及另一系列七年期总值100亿日圆的票据(已转换为1.26亿

新元)。凯德商用中国信托也通过不可弃权优先认购方式，向其现有单位持有人配售45.4百万个新单位，筹得约59.0百万新元以收购凯德MALL • 大峡谷。

为进一步加强集团的资产负债状况，凯德商用将三个中国在建项目(即武汉的凯德 • 1818、青岛的凯德MALL • 新都心及上海的卢湾综合发展项目)注入凯德商用中国发展基金III，从而实现资金循环。

2013年财政年度，董事们建议派发每股1.75新分的年末股息。加上于2013年7月宣派的每股1.75新分的年中股息，全年建议派发的股息总额为每股3.5新分，较2012年财政年度增长了7.7%。

为租户和购物者增值

凯德商用不断创新及寻求为租户及购物者增值的方法。有关租户方面，凯德商用去年通过商+计划举办了超过10场研讨会及讲习会，吸引了约1,400名来自新加坡、中国及马来西亚的租户出席。所涵盖的议题与租户的业务息息相关，例如服务质量、创新、视觉营销、顾客行为及关系管理等。

凯德商用的核心数码策略，是运用科技加强对购物者的了解。集团于2011年推出无卡式会员奖励计划"凯德购物星"，让购物者登记他们的消费后赚取积分以兑换凯德购物券于旗下的购物中心使用。凯德商用正与零售商合作，根据凯德购物星所采集的数据提供更具针对性的消费选择，以进一步满足购物者。该计划的会员人数正在扩大。集团与新加坡人民协会合作成立新的会员组别，以期吸引该协会的1百多万名百胜卡(PAssion Card)会员加入凯德购物星。在中国，参与凯德购物星计划的购物中心增至19家。截至2013年12月31日，在新加坡及中国注册为凯德购物星会员的购物者已超过50万名，人数较2012年增长超过两倍。

购物不仅限于实体消费商品和服务。凯德商用相信，数码、社交和移动科技将提供机会让其实体购物中心和数码世界融合，并有助提升购物体验。有鉴于此，凯德商用去年在新加坡的购物中心推行电子排队管理系统(eQMS)。购物者不用在他们喜爱的餐厅门外或客户服务柜台亲身排队，并可继续在购物中心购物。当快轮到购物者的号码时，他们将收到短讯或手机应用程式通知，通知他们返回餐厅或客户服务柜台。凯德商用也已逐步在新加坡及中国的购物中心推出免费无线网络服务。

可持续发展

发展人力资本

凯德商用目前共聘用逾4,000名员工。凯德商用继续加强从技术人员、新晋主管至高级经理等各阶层员工的培训，包括安排员工前往日本、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融入凯德商用培训课程，以更快地熟悉集团的文化。在线学习平台iCampus现时提供了300多门中英文课程，协助员工根据自己的进度学习。

企业社会责任

集团继续致力履行作为企业公民的责任。在集团年度大型企业社会责任项目"我的书包"下，来自新加坡、中国、马来西亚、日本及印度的约21,000名弱势儿童获得约50万新元的学习及日常用品。该善款来自凯德集团旗下的慈善机构 – 凯德希望基金。

年内，凯德商用于各地举办各项公益活动。在中国，公益活动包括于凯德广场 • 芜湖及长沙的凯德广场 • 雨花亭举办了中秋庆祝活动，分别与弱势儿童及智障学生欢度佳节；益阳的凯德广场 • 桃花仑举办了长者日活动；而我们于华西的员工向四川省雅安地震灾区赠送婴儿用品。上海的凯德龙之梦虹口及凯德七宝购物广场，以及凯德广场 • 日照辟出空间打造迷你农场，以让在城市长大的儿童可以亲近大自然。

董事会

廖文良先生卸任董事会主席后由黄记祖先生接任。陈明海先生也接任叶志强先生担任审核委员会主席。我们谨代表董事会及员工，向廖先生和叶先生对凯德商用的贡献致谢，并祝愿他们前程锦绣。黄先生和陈先生拥有丰富的经验和杰出的成就，我们期待两位来年为董事会提供意见及作出贡献。

展望

鉴于全球经济复苏态势良好，凯德商用对2014年的展望持谨慎乐观的看法。集团预期其主要市场新加坡、中国及马来西亚的零售销售额将继续取得增长。

集团将继续专注加强执行能力和增加核心经常性收入，并继续拓展于主要门户城市的业务和把握亚洲消费的增长势头。凭借强劲的负债资产表和在建项目，凯德商用将继续遵循可持续增长的轨道发展。2014年凯德商用计划开设四家新购物中心。分别是成都的凯德 • 天府，广州的凯德广场 • 云尚以及位于印度海得拉巴和芒格洛尔的两家购物中心。

我们谨代表董事会及管理层，向全体股东、业务伙伴、联营公司和员工给予的大力支持及贡献表示衷心感谢。

黄记祖
主席

林明志
首席执行官

2014年2月27日

Year in Brief
2013

JANUARY
- Awarded prime site at Gutian in Wuhan, China, for our fourth mall in the city, which is a major transport and commercial hub in Central China. Total development cost for the site, which has the potential to include two office towers, is expected to be about RMB2,800.0 million.
- Completed asset enhancement works to add a row of F&B and entertainment outlets at Blocks C and E of Clarke Quay in Singapore.
- Junction 8 in Singapore opened a new Basement 1 linkway to the subway station after an asset enhancement initiative.
- Completed asset enhancement works to add 24% of net lettable area to Basement 1 of Raffles City Shanghai in China.

APRIL
- Opened CapitaMall Meilicheng in Chengdu, China.
- Transferred the stakes in two China malls under development – CapitaMall 1818 in Wuhan and CapitaMall Xinduxin in Qingdao – to CapitaMalls China Development Fund III.
- Mr Ng Kee Choe, a Non-Executive Director, succeeded Mr Liew Mun Leong as Chairman of our Board.
- Mr Lim Ming Yan, a Non-Executive Director, succeeded Mr Liew Mun Leong as Chairman of our Corporate Disclosure Committee and Investment Committee, and as a member of our Executive Resource and Compensation Committee and Nominating Committee.
- Mr Bob Tan Beng Hai, an Independent Non-Executive Director and a member of our Finance and Budget Committee, succeeded Mr Yap Chee Keong as Chairman of our Audit Committee.

JUNE
- Completed the first phase of IMM Building's re-positioning exercise as a value-focused mall. IMM Building is now Singapore's largest outlet mall with more than 55 outlet stores.

JULY
- Awarded the tender for CapitaMall Grand Canyon, our 10th shopping mall in Beijing, China. Total acquisition cost for the six-storey operational mall is expected to be about RMB1.82 billion. CapitaRetail China Trust has acquired the mall from CapitaMalls Asia.
- Completed the transfer of our effective 66% interest in the integrated development located in Luwan district in Shanghai, China, to CapitaMalls China Development Fund III.

NOVEMBER

- Acquired CapitaMall SKY+, an eight-storey mall at Baiyun Greenland Centre in Guangzhou, China. This marked our strategic entry into a first-tier city in South China and brought the number of our malls in the region to eight. Total investment cost for the shopping mall is expected to be about RMB2,646.0 million.

- Broke ground for the mall at Gutian in Wuhan, China – a mere 10 months after being awarded the site in January.

- About 21,000 underprivileged children in Singapore, China, Malaysia, Japan and India benefited from a donation of about 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.

SEPTEMBER

- Opened the second phase of CapitaMall Jinniu in Chengdu, China.

- Launched the PAssion Card-CAPITASTAR Rewards Programme exclusively for PAssion Card members, in partnership with the People's Association (PA) of Singapore.

OCTOBER

- Bugis Junction in Singapore completed the first phase of its asset enhancement initiative, which involved converting close to 70,000 sq ft of space from one of its anchor tenants, into specialty stores.

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

- Commenced construction of Melawati Mall north-east of Kuala Lumpur, our sixth mall and first greenfield development in Malaysia, in partnership with Sime Darby Property. Total development cost is expected to be about RM670.0 million.

DECEMBER

- Formed 49:51 joint venture with Changi Airport Group to develop an iconic mixed-use development – codenamed Project Jewel – that will integrate facilities for airport operations, retail offerings and leisure attractions on a 377,000-sq ft car park site fronting Changi Airport Terminal 1. Total development cost is expected to be about S$1.47 billion.

- Opened Westgate in Singapore.

- Opened Bedok Mall in Singapore.

- Commenced construction for the integrated development in Luwan district in Shanghai, China, which comprises an eight-storey shopping mall and an office tower.

Awards & Accolades

CORPORATE

Best Retail Developer in Asia
Euromoney Real Estate Awards

Best Retail Developer in China
Euromoney Real Estate Awards

Best Retail Developer in Singapore
Euromoney Real Estate Awards

RLI Developer
Retail and Leisure International (RLI) Awards

Best Corporate Brand Award
China Finance Summit

Most Influential Developer in China
China Commercial Real Estate Association

Singapore Corporate Governance Award (Merit)
Big Capitalisation Category
Securities Investors Association Singapore (SIAS) Investors' Choice Awards

SHOPPING MALLS

Singapore

ION Orchard
International FIABCI Prix d'Excellence Gold Award (Retail Category)

Plaza Singapura
RLI Shopping Centre Renovation
Retail and Leisure International (RLI) Awards

The Star Vista
Best Retail and Leisure Development (Silver Award)
MIPIM Asia Awards

The Star Vista
RLI International Retail and Leisure Destination (Highly Commended)
Retail and Leisure International (RLI) Awards

China

CapitaMall Shawan, Chengdu
Retail Responsibility Award
Second Annual Chengdu Retail Awards

ION Orchard, Singapore

CapitaMall Wusheng, Wuhan
City Advancement Award
Mall China Golden Mall Awards

CapitaMall Xuefu, Harbin
Urban Shopping Mall Award
Mall China Golden Mall Awards

Malaysia

Gurney Plaza, Penang
Best Shopping Experience Excellence Award
Expatriate Lifestyle Readers' Choice Best of Malaysia Awards

GREEN AND ACCESSIBILITY

Singapore

Westgate
Green Mark Platinum
Building and Construction Authority, Singapore

Westgate
Universal Design Mark Gold^{Plus} (Design)
Building and Construction Authority, Singapore

Bedok Mall and Bedok Residences
Universal Design Mark Gold^{Plus} (Design)
Building and Construction Authority, Singapore

JCube
Universal Design Mark Gold^{Plus}
Building and Construction Authority, Singapore

Tampines Mall
Green Mark Gold
Building and Construction Authority, Singapore

China

Suzhou integrated development
Gold Level Pre-Certification
Leadership in Energy and Environmental Design Core and Shell (LEED – US)
US Green Building Council

CapitaMall Xindicheng, Xi'an
Green Mark Certificate (Provisional)
Building and Construction Authority, Singapore

CapitaMall Fucheng (Phase 2), Mianyang
Green Mark Certificate (Provisional)
Building and Construction Authority, Singapore

Malaysia

The Mines, Selangor
Green Mark Gold (Provisional)
Building and Construction Authority, Singapore

Our Business Structure

CapitaMalls Asia
凯德商用

Singapore	China	Malaysia	Japan	India[1]
DIRECTLY HELD SHOPPING MALL: 1 property	DIRECTLY HELD SHOPPING MALLS: 3 properties	DIRECTLY HELD AND INTEREST VIA ASSET-BACKED SECURITISATION STRUCTURE: 1 property	DIRECTLY HELD SHOPPING MALLS: 4 properties	INDIA FUND: 9 properties
JOINT VENTURES: 4[2] properties	JOINT VENTURES: 10 properties	JOINT VENTURE: 1 property	JAPAN FUND: 4 properties	
	CHINA FUNDS: 39 properties			
27.62%	21.33%	36.10%		
CapitaMall Trust: 16[2] properties	CapitaRetail China Trust: 10 properties	CapitaMalls Malaysia Trust: 4 properties		
20[2] properties, 14.6 million sq ft of GFA	**62 properties**, 69.4 million sq ft of GFA	**6 properties**, 5.5 million sq ft of GFA	**8 properties**, 2.4 million sq ft of GFA	**9 properties**, 6.6 million sq ft of GFA

15.28%

Our interests in properties, private real estate funds, CMT, CRCT and CMMT are as at 31 December 2013. The number of retail properties and GFA (which is based on aggregate GFA of each property in its entirety) are as at 31 December 2013.

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

2 Does not add up because Westgate is held through a joint venture in which CMA and CMT hold 50% and 30% stakes respectively; and CapitaLand holds the other 20%.

Our Property Interests

CAPITAMALL TRUST

We had an effective 27.62% interest in CapitaMall Trust (CMT) as at 31 December 2013. CMT was listed on 17 July 2002 on the Singapore Exchange Securities Trading Limited (SGX) 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$10.0 billion) and market capitalisation (approximately S$6.6 billion) as at 31 December 2013. CMT owns and invests in income-producing assets that are used, or predominantly used, for retail purposes primarily in Singapore. As at 31 December 2013, CMT had over 2,900 leases with international and domestic retailers and a committed occupancy rate of approximately 98.5%. CMT owns the following 16 operational shopping malls 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, Bugis+ and a 30.00% stake in Westgate. Separately, CMA owns a direct stake of 50.00% in Westgate, which brings CMA's effective stake in Westgate to 58.29%. In addition, CMT has an equity interest of approximately 15.28% 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.

CAPITARETAIL CHINA TRUST

We had an effective 25.55% interest in CapitaRetail China Trust (CRCT) as at 31 December 2013. CRCT was listed on the SGX on 8 December 2006, and is the first and 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 2013, CRCT's portfolio comprised 10 quality shopping malls located in six key cities in China: CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, 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 had a total asset size of approximately S$2.2 billion as at 31 December 2013. We have granted CRCT a right of first refusal to acquire completed income-producing shopping malls located in China subject to certain conditions.

CAPITAMALLS MALAYSIA TRUST

We had an effective 36.10% interest in CapitaMalls Malaysia Trust (CMMT) as at 31 December 2013. CMMT was listed on 16 July 2010 on the Main Market of Bursa Malaysia Securities Berhad, and is a Malaysia-focused "pure-play" shopping mall REIT with an income- and geographically-diversified portfolio, with a market capitalisation of approximately RM2.5 billion and an asset size of approximately RM3.2 billion as at 31 December 2013. CMMT owns and invests in income-producing assets that are used, or predominantly used, for retail purposes primarily in Malaysia. As at 31 December 2013, CMMT's portfolio, which consists of Gurney Plaza in Penang, a majority 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 99.0%.

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

CAPITAMALLS CHINA INCOME FUND

We had an interest of 45.00% in CapitaMalls China Income Fund, previously known as CapitaRetail China Development Fund, as at 31 December 2013. 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 2013, approximately 98% of the upsized fund had been drawn. The fund is party to certain right of first refusal arrangements with 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 INCOME FUND II

We had an interest of 30.00% in CapitaMalls China Income Fund II, as at 31 December 2013. CapitaMalls China Income Fund II was renamed from CapitaMalls China Incubator Fund with effect from 6 June 2013. 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 was set up to invest 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 2013, the fund was fully drawn. The fund is party to certain right of first refusal arrangements with 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 INCOME FUND III

We had an interest of 45.00% in CapitaMalls China Income Fund III, as at 31 December 2013. CapitaMalls China Income Fund III was renamed from CapitaMalls China Development Fund II with effect from 31 July 2013. 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 was set up to invest primarily in retail property developments in various parts of China. As at 31 December 2013, the fund was fully drawn. The fund is party to certain right of first refusal arrangements with 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 had an interest of 50.00% in CapitaMalls China Development Fund III as at 31 December 2013. We sponsored the establishment of the fund, which was closed on 30 June 2012 with a total fund size of US$1.0 billion. The fund invests in the development of shopping malls and properties predominantly used for retail purposes in China. As at 31 December 2013, the fund was fully committed to five projects and about 70% of the fund equity had been drawn. We have committed to maintain our investment, either directly or through one or more of the CapitaMalls Asia Group companies or listed REITs, at no less than 30.00% of the total fund size.

RAFFLES CITY CHINA FUND

We had an interest of 15.00% in Raffles City China Fund as at 31 December 2013. 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$1.18 billion. As at 31 December 2013, close to 100% of the fund equity had been drawn. 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 had an interest of 26.29% in CapitaMalls Japan Fund as at 31 December 2013. 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 ¥44.1 billion. It was formed to invest in income-producing retail investment properties in Japan. As at 31 December 2013, CapitaMalls Japan Fund owned four shopping malls, 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.

CAPITAMALLS INDIA DEVELOPMENT FUND

We had an interest of 45.45% in CapitaMalls India Development Fund as at 31 December 2013. 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 2013, about 53% of the fund equity 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 had a 21.43% interest in Horizon Realty Fund as at 31 December 2013. The fund was established to invest in retail properties in India. As at 31 December 2013, 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.


KOBAT

Astute Stewardship

CMA's corporate governance structure and procedures ensure a robust foundation for sustaining our performance.

Board of Directors

Ng Kee Choe, 69
Chairman
Non-Independent Non-Executive Director

Lim Ming Yan, 51
Non-Independent Non-Executive Director

Jennie Chua, 69
Non-Independent Non-Executive Director

Lim Tse Ghow Olivier, 49
Non-Independent Non-Executive Director

Sunil Tissa Amarasuriya, 65
Independent Non-Executive Director

Tan Sri Amirsham A Aziz, 63
Independent Non-Executive Director

Dr Loo Choon Yong, 65
Lead Independent
Non-Executive Director

Arfat Pannir Selvam, 68
Independent Non-Executive Director

Bob Tan Beng Hai, 62
Independent Non-Executive Director

Professor Tan Kong Yam, 58
Independent Non-Executive Director

Lim Beng Chee, 46
Executive Non-Independent Director
Chief Executive Officer

Ng Kee Choe, 69

Chairman, Non-Independent Non-Executive Director
Bachelor of Science (Honours), University of Singapore

Date of first appointment as a director: 1 March 2013
Date of last re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2013): 10 months

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

Present directorships in other listed companies
- CapitaLand Limited (Chairman)
- PT Bank Danamon Indonesia, Tbk (President-Commissioner)
- Singapore Exchange Limited
- SP AusNet (Chairman)

Present principal commitments (other than directorships in other listed companies)
- Fullerton Financial Holdings Pte Ltd (Director)
- NTUC Income Insurance Co-operative Limited (Special Advisor)
- Tanah Merah Country Club (Chairman)

Directorship in other listed companies held over the preceding three years
- Singapore Airport Terminal Services Limited

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

Board of Directors

Lim Ming Yan, 51

Non-Independent Non-Executive Director

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

Date of first appointment as a director: 25 October 2012
Date of last re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2013): 1 year 2 months

Board committees served on

- Finance and Budget Committee (Chairman)
- Investment Committee (Member)
- Risk Committee (Member)

Present directorships in other 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 (President & Group Chief Executive Officer)
- CapitaMall Trust Management Limited (manager of CapitaMall Trust) (Deputy Chairman)
- CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust) (Deputy Chairman)
- Central China Real Estate Limited

Present principal commitments (other than directorships in other listed companies)

- Building and Construction Authority (Member of the Board)
- Business China (Director)
- CapitaLand China Holdings Pte Ltd (Chairman)
- CapitaLand Hope Foundation (Director)
- CapitaLand Malaysia Pte Ltd (Chairman)
- CapitaLand Singapore Limited (Chairman)
- CTM Property Trust, Steering Committee (Chairman)
- LFIE Holding Limited (Co-Chairman)
- Shanghai YiDian Holding (Group) Company (Director)
- Singapore Tourism Board (Member of the Board)
- The Ascott Limited (Chairman)

Directorship in other listed companies held over the preceding three years

- Lai Fung Holdings Limited

Background and working experience

- Chief Operating Officer of CapitaLand Limited from May 2011 to December 2012
- Chief Executive Officer of The Ascott Limited from July 2009 to February 2012
- Chief Executive Officer of CapitaLand China Holdings Pte Ltd from July 2000 to June 2009

Award(s)

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

Jennie Chua, 69

Non-Independent 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 2013): 4 years 2 months

Present directorships in other listed companies

- GuocoLand Limited
- GuocoLeisure Limited
- Far East Orchard Limited

Present principal commitments (other than directorships in other listed companies)

- Alexandra Health System Pte Ltd/Khoo Teck Phuat Hospital (Chariman)
- The Old Parliament House Limited (Chairman)
- Temasek Foundation CLG Limited (Deputy Chairman)
- ISS A/S & ISS World Services A/S (Director)
- CapitaLand Hope Foundation (Director)
- Community Chest of Singapore (Advisor)
- Cornell-Nanyang Institute of Hospitality Management (Member)
- Governing Council of the Institute of Service Excellence (Co-Chairperson)
- Institute of Service Excellence (Co-Chairperson, Governing Council)
- Ministry of Foreign Affairs (Non-Resident Ambassador to The Slovak Republic & Non-Resident Ambassador-Designate to The United Mexican States)
- MOH Holdings Healthcare Infrastructure and Planning Committee (Member)
- Nanyang Technological University (Director/Trustee)
- Prime Minister's Office (Justice of the Peace)
- Sentosa Cove Resort Management Pte Ltd (Director)
- Sentosa Development Corporation (Member)
- Singapore Film Commission (Chairperson)
- Singapore Government (Member of Pro-Enterprise Panel)
- Singapore Institute of Technology (Chairman, Advisory Committee)

Directorship in other listed companies held over the preceding three years

- Ascott Residence Trust Management Limited (Manager of Ascott Residence Trust)

Background and working experience

- Chief Corporate Officer of CapitaLand Limited from July 2009 to July 2012
- Chief Executive Officer of The Ascott Limited from August 2007 to July 2009
- Chief Strategic Relations Officer of CapitaLand Limited from February 2007 to July 2007
- President & Chief Executive Officer of Raffles Holdings Limited from April 2003 to January 2007
- Chairman of Raffles International Limited from October 2004 to September 2007
- Chairman & Chief Executive Officer of Raffles International Limited from April 2003 to September 2004
- President & Chief Operating Officer of Raffles International Limited from 1999 to March 2003

Award(s)

- President's Special Recognition Award at the President's Volunteerism & Philanthropy Awards (2012)
- 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, 49

Non-Independent 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
Date of next re-election as a director: 17 April 2014
Length of service as a director (as at 31 December 2013): 8 years 6 months

Board committees served on
- Corporate Disclosure Committee (Chairman)
- Finance and Budget Committee (Member)
- Investment Committee (Member)

Present directorship in other listed companies
- Australand Holdings Limited (Chairman)

Present principal commitment (other than directorships in other listed companies)
- 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)
- Neptune Orient Lines Limited
- Raffles Medical Group Ltd

Background and working experience
- Chief Investment Officer of CapitaLand Limited from February 2012 to January 2013
- Head of Strategic Corporate Development of CapitaLand Limited from August 2011 to February 2012
- Group Chief Financial Officer of CapitaLand Limited from July 2005 to July 2011
- Deputy Group Chief Financial Officer of CapitaLand Limited from October 2004 to July 2005
- Senior Vice President, Corporate Finance of CapitaLand Limited from September 2003 to October 2004
- Head, Real Estate Unit, Corporate & Capital Market Group of Citibank 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, 65

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: 24 April 2013
Length of service as a director (as at 31 December 2013): 4 years 2 months

Board committees served on

- Executive Resource and Compensation Committee (Chairman)
- Audit Committee (Member)

Present principal commitments (other than directorships in other listed companies)

- B.P. de Silva Holdings Pte Ltd (Chairman)
- Tea Tang (Pvt) Ltd (Executive Director)
- Audemars Piguet Holding SA (Director)

Background and working experience

- Managing Director of B.P. de Silva Holdings Pte Ltd since December 1982
- Chief Executive Officer of The Swatch Group S.E.A. (S) Pte Ltd from 1995 to 2004

Board of Directors

Tan Sri Amirsham A Aziz, 63

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
Date of next re-election as a director: 17 April 2014
Length of service as a director (as at 31 December 2013): 2 years 4 months

Board committees served on
- Risk Committee (Chairman)
- Executive Resource and Compensation Committee (Member)

Present directorship in other listed companies
- CapitaLand Limited

Present principal commitments (other than directorships in other listed companies)
- Destination Resorts & Hotels Sdn Bhd (Chairman)
- Lingui Developments Berhad
- Malaysian Investment Development Authority (Chairman)
- Petroliam Nasional Berhad
- Pulau Indah Ventures Sdn Bhd
- RAM Holdings Berhad
- Samling Global Limited
- StarChase Motorsports Limited
- Themed Attractions Berhad (Chairman)
- Themed Attractions & Resorts Sdn Bhd (Chairman)

Background and working experience
- Chairman of the Malaysian National Economic Advisory Council from 1 June 2009 to 31 May 2011
- Minister in the Malaysian Prime Minister's Department, heading the Economic Planning Unit and Department of Statistics, Malaysia from March 2008 to April 2009
- President and Chief Executive Officer of Malayan Banking Berhad from 1994 to 2008

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

Dr Loo Choon Yong, 65

Lead Independent Non-Executive Director

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

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 2013): 4 years 2 months

Board committees served on
- Nominating Committee (Chairman)
- Investment Committee (Member)

Present directorship in other listed companies
- Raffles Medical Group Ltd (Executive Chairman)

Present principal commitments (other than directorships in other listed companies)
- Raffles Medical Group Ltd (Co-founder and Executive Chairman)
- Jurong Town Corporation (Chairman)
- Ministry of Foreign Affairs (Non-Resident Ambassador to the Italian Republic)

Background and working experience
- Singapore Management University (Member, Board of Trustees and Chairman, Campus Development Advisory Committee) from 2008 to January 2014
- Member of Casino Regulatory Authority from 2008 to 2009
- Nominated Member of Singapore Parliament from 2005 to 2006 and from 2007 to 2009
- Member of Singapore Government Economic Review Committee from 2001 to 2003
- Chairman, Healthcare Services Working Group of Singapore Government Economic Review Committee from 2001 to 2003
- Chairman of National Council Against Drug Abuse from 2007 to 2008
- Vice Chairman of National Council Against Drug Abuse from 2003 to 2006
- Member of National Council Against Drug Abuse from 1995 to 2002
- President of Singapore Anti-Narcotic Association from 1996 to 2005

Award(s)
- Businessman of the Year (2013)
- 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, 68

Independent Non-Executive Director

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

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 2013): 4 years 2 months

Board committees served on

- Corporate Disclosure Committee (Member)
- Nominating Committee (Member)

Present directorship in other listed companies

- CapitaLand Limited

Present principal commitments (other than directorships in other listed companies)

- ASA Investment Holdings Pte Ltd (Director)
- Breast Cancer Foundation (Vice President)
- DMS Corporate Services Pte Ltd (Director)
- Duane Morris & Selvam LLP (Managing Director)
- Duane Morris & Selvam (Myanmar) Limited (Director)
- Hope Villages Fund Pte Ltd (Director)
- iGloble Partners (II) Pte Ltd (Director)
- JurongHealth Fund Limited (Director)
- Muslim Financial Planning Association (President)
- NASDAQ OMX (South East Asia & Pacific) Pte Ltd (Director)
- Priya Roshni Pte Ltd (Director)
- Rahmatan Lil'Alamin Foundation Ltd (Director)
- Selvam LLC (Managing Director)
- Selvam & Partners Limited (Director)

Background and working experience

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

Bob Tan Beng Hai, 62

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 last re-election as a director: 24 April 2013
Length of service as a director (as at 31 December 2013): 10 months

Board committees served on

- Audit Committee (Chairman)
- Finance and Budget Committee (Member)
- Risk Committee (Member)

Present directorship in other listed companies

- SMRT Corporation Ltd

Present principal commitments (other than directorships in other listed companies)

- Charity Council (Member)
- Inland Revenue Authority of Singapore (Director)
- Institute of Technical Education (Chairman)
- Jurong Engineering Limited (Chairman)
- National Wages Council (Member)
- NTUC Club Management Council (Member)
- Ong Teng Cheong Labour Leadership Institute (Director)
- Sentosa Golf Club (General Committee, Member and Captain)
- Singapore Business Federation (Honorary Treasurer)
- Singapore Golf Association (President)
- Singapore LNG Corporation Pte Ltd (Chairman)
- Singapore National Employers Federation (Vice President)
- SINGEX Holdings Pte Ltd (Chairman)
- Tripartite Alliance for Fair Employment Practices (Co-Chairman)

Directorship in other listed company held over the preceding three years

- Asia Pacific Breweries Limited

Background and working experience

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

Award(s)

- NTUC May Day award Meritorious Service Award (2013)
- Public Service Star (2010)
- Friend of Labour Award (2000)

Board of Directors

Professor Tan Kong Yam, 58

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: 24 April 2013
Length of service as a director (as at 31 December 2013): 4 years 2 months

Board committees served on
- Audit Committee (Member)
- Investment Committee (Member)

Present principal commitments (other than directorships in other listed companies)
- Nanyang Technological University of Singapore (Professor of Economics since 2005)
- APS Asset Management Pte Ltd (Director)
- Surbana International Consultants Pte Ltd (Independent Non-Executive Director)

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

Lim Beng Chee, 46

Executive Non-Independent Director
Chief Executive Officer

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
Date of next re-election as a director: 17 April 2014
Length of service as a director (as at 31 December 2013): 5 years 2 months

Board committees served on

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

Present directorship in other listed companies

- CapitaMalls Malaysia REIT Management Sdn Bhd (manager of CapitaMalls Malaysia Trust) (Alternate Director to Ho Chee Hwee Simon and Ng Kok Siong)

Present principal commitment (other than directorships in other listed companies)

- CapitaMalls Asia Limited (Chief Executive Officer)

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

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

Senior Management

Mr Lim Beng Chee
Chief Executive Officer

Mr Lim Beng Chee, aged 46, is our Chief Executive Officer. Details of his working experience are set out under the section "Board of Directors" found in page 29.

Mr Simon Ho Chee Hwee
Deputy Chief Executive Officer

Mr Simon Ho Chee Hwee, aged 52, 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 42, 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 56, 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.

Mr Tony Tan Tee Hieong

Chief Executive Officer
CapitaRetail China Trust Management Limited

Mr Tony Tan Tee Hieong, aged 46, 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.

Senior Management

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 41, 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 57, 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.

Corporate Governance Report

CapitaMalls Asia Limited (Company, and together with its subsidiaries, the Group) observes high standards of corporate conduct which are in line with the Principles of the Singapore Code of Corporate Governance 2012 (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 Company believes in developing and maintaining sound and transparent policies and practices to meet the specific business needs of the Group and to provide a firm foundation for a trusted and respected business enterprise. The Company remains focused on complying with 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 the corporate governance practices for FY 2013 describes the Company's application of good governance principles in building a company committed to integrity, transparency, excellence and its people. This application is underpinned by sound and robust systems of internal controls and accountability to promote and drive long-term sustainable growth and value for its shareholders.

The following sections outline the Company's policies and practices on corporate governance, 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, the Company will strive to comply with the more stringent requirement.

(A) BOARD MATTERS

The 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.

The Company is led by a Board comprising a majority of independent Non-Executive Directors. Each Director brings to the Board skills, experience, insights and sound judgment, which together with strategic networking relationships, serve to further the interests of the Group. At all times, the Directors are collectively and individually obliged to act honestly and with diligence, and consider the best interests of the Company.

The key roles of the Board are to:

(a) guide the corporate strategy and directions of the Group;

(b) ensure that Management discharges business leadership and management responsibilities with integrity and enterprise; and

(c) 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, divestments 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 reviews the 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.

Various Board committees, namely Audit Committee (AC), Corporate Disclosure Committee (CDC), Executive Resource and Compensation Committee (ERCC), Finance and Budget Committee (FBC), Investment Committee (IC), Nominating Committee (NC) and Risk Committee (RC) have been constituted with clear written Terms of Reference ("TOR") to assist the Board in the discharge of its functions.

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 to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered. The Company has also taken steps to ensure that there are appropriate checks and balances between the different Board Committees.

A table of the Board members' participation in the various Board Committees is set out on page 52 of this Annual Report. This reflects each Board member's additional responsibilities and special focus in the respective 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:

(a) approval of new investments, acquisitions, financing and banking facilities;

(b) approval of divestments and write-offs of investments;

(c) approval of specific budgets for capital expenditure for development projects, acquisitions and enhancements/upgrading of properties;

(d) review of operating budgets; and

(e) award of contracts for development projects.

Approval sub-limits are also provided at Management levels to optimise operational efficiency.

The Board meets at least once every quarter, and as required by business imperatives. Where a physical Board meeting is not possible, the Articles of the Company permit the Directors to meet via teleconferencing or video conferencing. The Board and Board Committees may also make decisions by way of resolutions in writing.

A total of seven Board meetings were held in FY 2013. A table showing the attendance record of Directors at Board and Board Committee meetings during the year under review is set out on page 53 of this Annual Report. The Company believes in the manifest contribution of its Directors beyond attendance at formal Board and Board Committee meetings. To judge a Director's contributions based on his attendance at formal meetings alone would not do justice to his overall contributions, which includes being accessible by Management for guidance or exchange of views outside the formal environment of Board and Board Committee meetings.

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 Company provides suitable training for Directors. Upon appointment, each Director is provided with a formal letter of appointment and will also be given a copy of the New Directors' Manual (which includes information on a broad range of matters relating to the role of a Director) during the appointment process. All Directors on appointment will be required to undertake an induction programme to familiarise themselves with matters relating to the Company's strategy and business activities. The induction programme includes meetings with the Chairman of the Board, the CEO, the Chief Financial Officer (CFO), the Company Secretary and other key executive members. Directors are also briefed and/or provided with relevant information on the Company's policies and procedures relating to corporate conduct and governance including disclosure of interests in securities, restricted periods for dealings in the Company's securities, restrictions on disclosure of confidential or price sensitive information and the disclosure of interests relating to certain property transactions.

Following their appointment, Directors are provided with opportunities for continuing education in areas such as Directors' duties and responsibilities, changes to regulations and accounting standards and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Board or Board Committee members.

The Directors have, pursuant to Code provision A.6.5 of the Hong Kong Code, participated in continuous professional development during FY 2013 to develop and refresh their knowledge and skills. In particular, the Directors, namely Mr Ng Kee Choe, 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, Mr Bob Tan Beng Hai, Professor Tan Kong Yam 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 2013. In addition, the Board was exposed to retail concepts and other aspects of the Group's businesses during the Board's visit to Guangzhou and Wuhan in September 2013. 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 judgment 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.

The Board comprises 11 Directors, out of whom six are Non-Executive Directors who have no relationship with the Company, its related corporations, its shareholders who hold 10% or more of the voting shares of the Company or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment. Profiles of the Directors are provided on pages 18 to 29 of this Annual Report:

Chairman and Non-Independent Non-Executive Director
Mr Ng Kee Choe

Executive Non-Independent Director and Chief Executive Officer
Mr Lim Beng Chee

Non-Independent Non-Executive Directors
Mr Lim Ming Yan
Ms Jennie Chua
Mr Lim Tse Ghow Olivier

Lead Independent Non-Executive Director
Dr Loo Choon Yong

Independent Non-Executive Directors
Mr Sunil Tissa Amarasuriya
Tan Sri Amirsham A Aziz
Mrs Arfat Pannir Selvam
Mr Bob Tan Beng Hai
Professor Tan Kong Yam

Mr Ng Kee Choe was appointed the Chairman of the Board on 24 April 2013 and brings with him significant experience from his leadership of, and Board participation in, major global companies in finance and banking, as well as real estate companies such as CapitaLand Limited (CapitaLand), of which he is the Non-Executive Chairman.

Mr Lim Beng Chee, CEO of the Company, is the sole Executive Director of the Company. He also brings with him significant real estate investment and asset management experience, including experience from his previous appointments in various positions within the CapitaLand group of companies (CapitaLand Group).

The Board, through the NC, reviews the size and composition of the Board and is of the opinion that, given the scope and nature of the Group's operations, the size of the Board is appropriate in facilitating effective decision-making.

The Directors are business leaders and professionals with financial, banking, real estate, legal, economics, investment, accounting and retailer backgrounds. The varied background of the Directors 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 the separation of the roles of the Chairman and the CEO, provides a healthy professional relationship between the Board and Management with clarity of roles and facilitates robust deliberation on the Group's business activities.

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

The NC makes recommendations to the Board the appointments to the Board and Board Committees and the independence of Directors, 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). The NC had recommended and the Board has determined that all the Independent Non-Executive Directors were independent in FY 2013. For the purposes of the determination, the Independent Non-Executive Directors provided declarations of their independence which were deliberated upon by the NC and the Board.

Dr Loo Choon Yong was appointed as the Lead Independent Director on 1 November 2013 pursuant to Guideline 3.3(d) of the Singapore Code. The role of the Lead Independent Director includes meeting with the other Independent Directors periodically without the presence of the other directors and providing feedback to the Chairman after such meetings. The Lead Independent Director is appointed by the Board to serve in a lead capacity to coordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity, and will assist the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

Dr Loo Choon Yong has been an Independent Director of the Company since 30 October 2009. In FY 2013, CapitaLand Group paid for healthcare insurance and various medical services from companies within the Raffles Medical Group Ltd (RMG) group of companies (RMG Group). RMG is an associate of Dr Loo. Dr Loo is the Executive Chairman of RMG and currently owns more than 40% of the shares in RMG. The aggregate amount paid or payable by the CapitaLand Group to the RMG Group in respect of such services for FY 2013 was approximately S$1,752,000, of which the aggregate amount paid or payable by the Group to the RMG Group comprised approximately S$618,000. In FY 2013, RMG Group also entered into a lease for a retail unit in Bedok Mall. The aggregate amount paid in FY 2013 by RMG Group in respect of the lease was not significant compared with the total lease revenues received by the Group in the FY 2013. 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 judgment with a view to acting in the best interests of the Company.

RMG through its wholly-owned subsidiary had on 16 December 2013 entered into a Sale and Purchase Agreement with DBS Bank Ltd. to acquire a property at 100 Taman Warna, Singapore 276405 (Subject Property). The Subject Property is to be redeveloped into a commercial building comprising a new medical centre, retail shops and food and beverage outlets. As the size of the proposed retail component of the Subject Property is below what the Company would normally consider as an investment or development opportunity, such acquisition of the Subject Property by RMG would not substantially compete with the Company and hence, there is no conflict of interest for Dr Loo to continue to serve as an Independent Non-Executive Director of the Company. The NC had reviewed the potential conflict of interest and had reached the view that there is no conflict of interest and the Board of CMA had also endorsed NC's view that the acquisition of the Subject Property by RMG would not prevent Dr Loo from continuing to serve as a Lead Independent Non-Executive Director of the Company.

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

Mrs Arfat Pannir Selvam has been an Independent Director of the 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 2013. 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 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 in relation to the corporate affairs of the Company. The Board is also of the view that Mrs Selvam is able to exercise strong independent business judgment with a view to acting in the best interests of the 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.

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 maintain 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 Ng Kee Choe, is responsible for leading the Board and ensuring that the Board is effective on all aspects of its role, 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.

The Chairman ensures that the members of the Board and Management work together with integrity, competency and moral authority, and that the Board constructively engages Management on strategy, business operations, enterprise risk and other plans.
The CEO is a Board member and has full executive responsibilities over the business directions and operational decisions of the Group. The CEO, in consultation with the Chairman, schedules Board meetings and finalises the preparation of the Board meeting agenda. He ensures the quality and timeliness of the flow of information between Management and the Board. He is also responsible for ensuring that the Company complies with the principles and guidelines of the Singapore Code and the Hong Kong Code.

Board Membership

Principle 4:
There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Board has established the NC which makes recommendations to the Board on all appointments to the Board and Board Committees. 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 is chaired by Dr Loo Choon Yong and comprises Mr Ng Kee Choe and Mrs Arfat Pannir Selvam. The majority of the NC members, including the Chairman, are Independent Non-Executive Directors.

In performing its role, the NC is guided by its TOR which sets out its responsibilities.

The principal responsibilities of the NC under its TOR include the following:

(a) 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 the Company's strategy;

(b) to identify individuals suitably qualified to be Board members, and review and recommend candidates to the Board for appointments on the Company's Board and Board Committees;

(c) to assess the independence of Independent Non-Executive Directors;

(d) 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

(e) to review and recommend candidates to be the Company's nominees on Boards and Board Committees within the Group.

Code provision A.5.6 of the Hong Kong Code stipulates that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. The NC has not formally adopted a written policy concerning diversity of the Company's Board. However, it has always considered the diversity of the Board as an essential aspect to the Board's effectiveness, and had considered a variety of factors in selecting candidates for the appointment of directors. This can be shown from the different and broad range of backgrounds and experiences of the Company's Directors.

For instance, whenever a new Director is required to be appointed to the Board, 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:

(a) the Board should comprise Directors with a broad range of commercial experience; and

(b) 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 the 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 2013, the NC performed the duties as required under its TOR. 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 appointment of the Lead ID; the establishment of the RC; changes in the composition of the CDC, ERCC, FBC, IC and NC; and formal evaluation of the effectiveness of the Board and its Board Committees for FY 2013.

The Company believes 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 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 the Company are appointed for a specific term, the Company's Articles of Association require every Director to retire once every three years and for this purpose, one-third of the 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.

Guideline 4.4 of the Singapore Code recommends that the Board determine the maximum number of listed companies board representations which any director may hold and disclose this in the annual report. The Board is of the view that 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 such as whether they are in full-time employment and their other responsibilities. A Director with multiple directorships is expected to ensure that sufficient attention is given to the affairs of the Group. The Board believes 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 the 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. All Directors had confirmed that notwithstanding the number of their individual listed company board representations and other principal commitments, which the Directors held, they were able to devote sufficient time and attention to the affairs of the Company.

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.

The Company believes that Board performance is ultimately reflected in the long-term performance of the Group.

The Board, through the NC, strives to ensure that there is an optimal blend in the Board of background, experience and knowledge in technology, business, finance and management skills critical to the Group's businesses and that each Director could bring 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 on issues, facilitating business opportunities and strategic relationships, and accessibility by Management outside of a formal environment of Board and/or Board Committee meetings.

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

To enhance the long-term performance of the Board and its Board Committees, the Board has, through the NC, adopted a process to evaluate the effectiveness of the Board and its Board Committees in respect of FY 2013. An external consultant, AON Hewitt Singapore Pte. Ltd. (AON), has been engaged to facilitate the evaluation process. AON is independent of and is not related to the Company or any of its Directors. As part of this process, questionnaires were sent by AON to the Directors and Senior Management and the findings were evaluated by AON and reported, together with the recommendations of AON , to the Chairman of the NC. The findings and the recommendations of AON were reviewed by the Board.

Access to Information

Principle 6:
In order to fulfill 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 Company believes that the Board should be provided with timely, adequate and complete information prior to Board meetings, and as and when the need arises. As a general rule, the agenda and Board papers are sent to Board members at least seven days prior to the Board meeting to allow the members to prepare for the Board meetings, which enables the discussion to focus on questions that the members may have. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. The Directors have access to the 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 timely, adequate and complete information to the Board on Board affairs and issues requiring the Board's decision. It also provides ongoing reports relating to the operational and financial performance of the Company, such as monthly management financial reports. Timely communication with members of the Board is effected through electronic means which include electronic mail, teleconferencing and videoconferencing. Informal meetings are also held for Management to brief Directors on prospective deals and potential developments in the early stages before formal Board approval is sought.

The Board has separate and independent 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 Board and Management. The Company Secretary attends Board meetings. The Board, whether as individual Director or as a group, is also entitled to have access to independent professional advice where required, at the Company's expense.

The AC also meets 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.

(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.

The Company believes that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the building of management bench strength and the development of key executives. This is to ensure continual development of talent and renewal of strong and sound leadership for the continued success of the Company.

The ERCC to oversee executive compensation and development in the Company. The ERCC plays a crucial role in helping to ensure that the Company is able to attract, recruit and retain the best talents to drive the Group's businesses forward.

The ERCC is chaired by Mr Sunil Tissa Amarasuriya and comprises Mr Ng Kee Choe and Tan Sri Amirsham A Aziz. The majority of the ERCC members, including the Chairman, are Independent Non-Executive Directors.

The ERCC is guided by its TOR.

Principal Responsibilities of the ERCC
The principal responsibilities of the ERCC under its TOR include the following:

(a) to review and recommend to the Board the remuneration packages, compensation policies and structure for Executive Director(s) and key executives;

(b) to make recommendations to the NC on the remuneration, compensation policies and structure for Non-Executive Directors before recommending to the Board;

(c) to approve share incentive plans and share awards for executives;

(d) to approve key appointments and review succession plans for key positions;

(e) to oversee the development of key executives and younger talented executives; and

(f) to review and monitor the training and continuous professional development of Directors and key executives.

Executive and Leadership Development
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 needs of the Company.

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

Remuneration Policy for Key Management Personnel

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

Business Alignment	• Build **sustainable value creation** and drive **wealth-added** to align with longer term shareholder interests • Provide **sound, structured funding** to ensure affordability and cost-effectiveness **in line with performance goals** • Enhance retention of key talents to **build strong organisational capabilities**
Fair & Appropriate	• Ensure remuneration is **competitive** relative to the appropriate external talent markets • Manage **internal equity** so that remuneration systems are viewed as fair across the Group • Significant and appropriate portion of **pay-at-risk,** taking into account risk policies of the Group, symmetrical with risk outcomes and sensitive to risk time horizon
Motivate Right Behaviours	• **Pay for performance** – align, differentiate and balance rewards according to multiple dimensions of performance • **Strengthen line-of-sight** linking rewards and performance goals • **Foster Group-Wide Interests** to recognise the interdependence of the various business units and drive superior outcomes
Effective Implementation	• Maintain **rigorous corporate governance** requirements • **Exercise appropriate flexibility** to meet strategic business needs and practical implementation considerations • **Facilitate employee understanding** to maximize the value of the remuneration programs

The Board establishes the remuneration policies in line with the Company's business strategy and approves the executive compensation framework based on the key principle of tying pay to performance at the beginning of the financial year. The Board approves the guaranteed cash component based on the size of the job and relevant market competitive levels of compensation, sets performance conditions for all incentive plans and reviews the potential compensation payouts at the end of the financial year. The Board reviews the performance and the resulting incentives taking into account the relevant market competitive levels of compensation.

For FY 2013, the ERCC performed the duties as required under its TOR. In particular, the ERCC had reviewed and made recommendations to the Board the remuneration plan for the CEO and key executives for FY 2013 and made recommendations to the NC on the remuneration for Non-Executive Directors for FY 2013 before recommendations were made to the Board. The ERCC also appointed an external remuneration consultant, Carrots Consulting Pte Ltd (Carrots Consulting), to provide professional advice on Board and executive remuneration. Carrots Consulting is independent of and is not related to the Company or any of its Directors. In its deliberations, the ERCC took into consideration industry practices and norms in compensation. The CEO was not present during the discussions relating to his own compensation and terms and conditions of his service, and the review of his performance. The CEO was in attendance when the ERCC discussed policies and compensation of his senior team and key staff which included contingent share awards, bonus and staff salary review. One ERCC meeting was held in FY 2013.

Executive Remuneration for Key Management Personnel

Remuneration for key management personnel comprises a fixed component, a variable cash component, share-based component and market-related benefits:

(A) Fixed Component:

The fixed component comprises the base salary and compulsory employer contribution to an employee's Central Provident Fund (CPF).

(B) Variable Cash Component:

The variable cash component includes the Scorecard-based Annual Bonus Plan and Economic Value Added (EVA)-based Incentive Plan.

Scorecard-based Annual Bonus Plan

Scorecard-based Annual Bonus Plan is a remuneration component linked to the achievement of annual performance targets as agreed with the Board at the beginning of each financial year.

Performance objectives aligned to the overall business metric and strategic goals of the Group are cascaded down throughout the organisation through the use of Balanced Scorecard, thereby creating greater alignment between performance of the Group, Business Units and the individual employees. These could be in the form of both quantitative and qualitative measures which are aligned to the Group's business strategy.

In determining the final payout for each key management personnel under the plan, the ERCC considers overall Group performance, funding affordability and individual performance.

EVA-based Incentive Plan
EVA-based Incentive Plan (EBIP) is an annual remuneration component based on sharing a portion of the economic value created with employees which varies according to actual achievement of residual economic profit.

The EBIP rewards for sustainable shareholder value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of a property business.

Under this plan, one-third of the accumulated EBIP bonus, comprising of EBIP bonus for the year, and the balance of the EBIP bonus brought forward from preceding years, is paid out in cash each year. The remaining two-thirds are carried forward in each individual executive's EBIP account for future years. Amounts in the EBIP account are at risk because a significant reduction in EVA in any year will result in retraction (performance clawback) of the EBIP bonus declared in preceding years. The EBIP encourages key executives to work for sustained EVA generation and to take actions that are aligned with the long-term interests of shareholders.

In determining the final EBIP bonus declared, the ERCC considers overall Group performance and relevant market remuneration benchmarks.

Based on the ERCC's assessment that the actual performance of the Group in FY 2013 has partially met the pre-determined targets, the resulting annual bonus declared under the EBIP has been adjusted accordingly to reflect the performance level.

(C) Share-based Component:

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.

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 is 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).

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. For FY 2013, shares granted under the Share Plans did not exceed the yearly limit of 1% of the total number of issued shares (excluding treasury shares).

The ERCC has instituted a set of share ownership guidelines for senior management who receives shares under the Performance Share Plan and 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 received under the two aforementioned share-based plans, which will vary according to their job grades and base salaries.

Details of the awards granted under the Share Plans are given in the Share Plans section of the Directors' Report from pages 103 to 106.

Performance Share Plan (PSP)
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.

For PSP awarded in year 2011, the Group has attained an achievement factor which is reflective of not meeting the pre-determined target performance level for PSP awards granted based on the performance period from FY 2011 to FY 2013.

Restricted Stock Plan (RSP)
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 Operating Earnings Before Interest and Tax; and

- Group's Operating Return on Total Assets.

The above performance measures are selected as they are the key drivers of shareholder value and are aligned to the Group'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 after the end of the performance period. 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 Group has attained an achievement factor which is reflective of it fully meeting the pre-determined target performance level for RSP awards granted based on the performance period in FY 2013.

(D) Market-related Benefits

The benefits provided are comparable with local market practices.

In performing the duties as required under its TOR, the ERCC ensures that remuneration paid to the CEO and key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets as determined by the ERCC are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short-term and long-term quantifiable objectives. A Pay-for-Performance Alignment study was conducted by Carrots Consulting and reviewed by the ERCC and it was found that there was sufficient evidence indicating Pay-For-Performance Alignment for the Group in both Absolute and Relative terms for the three-year period from FY 2010 to FY 2012.

Under the new Code of Corporate Governance, the compensation system should take account of the risk policies of the company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. The ERCC has reviewed the various compensation risks that may arise and introduced mitigating policies to better manage any risk exposure. The ERCC will also undertake periodic reviews of the compensation related risks.

For FY 2013, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and the key management personnel other than payment in lieu of notice in the event of termination in the employment contracts of the CEO and the key management personnel.

There were no employees who were immediate family members of a Director or the CEO, and whose remuneration exceeded S$50,000, during FY 2013. "Immediate family member" means the spouse, child, adopted child, step-child, sibling and parent.

Remuneration for Non-Executive Directors

Non-Executive Directors have remuneration packages consisting of Directors' fees and attendance fees. The Directors' fee policy is based on a scale of fees divided into basic retainer fees and additional fees for attendance and service on Board Committees. Please refer to table of fee structure for FY 2013 on page 45.

Each of the Non-Executive Directors who served on the Board during FY 2013 will receive about 70% of total Directors' fees in cash and about 30% of total Directors' fees in the form of shares in the Company. The actual number of shares to be awarded will be based on the volume-weighted average price (VWAP) of the Company's share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the date of the Company's Annual General Meeting (AGM), rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. However, in order to encourage the alignment of interests of the Non-Executive Directors with the interests of shareholders, a Non-Executive Director is required to hold shares in the Company which are at least equivalent in value to his annual basic retainer fee based on the VWAP of the Company's share over the 14 trading days from (and including) the ex-dividend date (if any) following the date of the Company's AGM or the total number of shares awarded under the above policy for FY 2011 and onwards, whichever is lower, at all times during his Board tenure and for a period of one year after their resignation as Directors at the Company.

Details of Directors' remuneration are provided in the Directors' Remuneration section on page 205 of this Annual Report. Directors' fees in aggregate for Non-Executive Directors are subject to the approval of shareholders at the AGM.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10:
The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Company provides shareholders with quarterly and annual financial statements. The Listing Manual of SGX-ST requires results for the first three quarters to be released to shareholders within 45 days from the end of the quarter and the annual results to be released within 60 days from the financial year end. The Company's results for first three quarters and full year for FY 2013 were all released on a timely basis, within 30 days of the end of the relevant quarter and 44 days of the end of the financial year.

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 the Company's and the Group's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a monthly basis and such explanation and information as any Director may require, 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 the Company for the year ended 31 December 2013. The Directors are responsible for overseeing the preparation of the financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The Company believes in conducting itself in ways that seek to deliver maximum sustainable value to its shareholders. Best practices are promoted as a means to build an excellent business for its shareholders and the Company is accountable to shareholders for its performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain shareholders' confidence and trust in the capability and integrity of the Company.

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.

The Company has in place an adequate and effective system of internal controls addressing material financial, operational, compliance and information technology risks to safeguard shareholders' interests and the Group's assets.

Basic Retainer Fee	S$
Board Chairman	153,000
Deputy Board Chairman	117,000
Director	65,000
Fee for appointment to Audit Committee and Investment Committee	**S$**
Chairman	44,000
Member	25,000
Fee for appointment to Executive Resource and Compensation Committee, Finance and Budget Committee and Risk Committee	**S$**
Chairman	29,000
Member	20,000
Fee for appointment to any other Board Committee	**S$**
Chairman	23,000
Member	17,000
Attendance fee for Board/Board Committee meetings (per meeting)	**S$**
(a) Attendance in person	
Board meeting	
Local	3,000
Overseas	5,000
Board Committee meeting	
Local	2,000
Overseas	5,000
(b) Attendance via conference telephone or similar communication equipment	
Local and Overseas	1,000

The Board has overall responsibility for the governance of risk and exercises oversight of the risk management strategy and framework. The Risk Committee (RC) was established on 1 November 2013 to assist the Board in strengthening the Group's risk management capabilities.

The RC is chaired by Tan Sri Amirsham A Aziz and comprises Mr Lim Ming Yan and Mr Bob Tan Beng Hai.

The RC is guided by its TOR. The principal responsibilities of the RC under its TOR include the following:

(a) make recommendations to the Board on risk appetite and parameters, including risk limits; changes to the risk limits; and delegation of authority on risk limits;

(b) review and assess compliance with and the adequacy of the risk management framework, policies and strategies to identify, measure, manage and report risks;

(c) oversee Management in the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies and report to the Board on its decisions on any material matters;

(d) review and make recommendation to the Audit Committee (AC) and the Board such that an opinion or comment regarding the adequacy and effectiveness of the risk management and internal control systems can be made by the Board in the annual report; and

(e) consider and advise on risk matters and report to the Board on any material breaches of risk limits.

The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control[1].

The Group adopts an Enterprise Risk Management (ERM) framework which sets out the required environmental and organisational components for managing risk in an integrated, systematic and consistent manner. The ERM framework and related policies are reviewed at least annually.

As part of the ERM framework, Management, amongst other things undertakes and performs a Risk and Control Self-Assessment (RCSA) process. As a result of the RCSA process, the Group produces and maintains a risk register which identifies the material risks it faces and the corresponding internal controls in place to manage or mitigate those risks. The material risks are reviewed quarterly by the RC, the AC and the Board.

The Group has formalised its framework which sets out the approach on how risk appetite is defined, monitored and reviewed across the Group. More information on the Group's ERM Framework can be found in the "Enterprise Risk Management" section on page 54 of this Annual Report.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal controls in the Group addressing financial, operational, compliance and information technology risks, including testing, where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors are reported to and reviewed by the AC. The adequacy and effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors is also reviewed by the AC.

The Board has received assurances from the CEO and the CFO that:

(a) the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 December 2013 give a true and fair view of the Group's operations and finances; and

(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks faced by the Group in its current business environment including material financial, operational, compliance and information technology risks. The CEO and the CFO have obtained similar assurance from the business and corporate executive heads in the Group.

In addition, in the year under review, the Board has also received quarterly certification by Management on the integrity of financial reporting and the Board has provided a negative assurance confirmation to shareholders, as required by the Listing Manual of SGX-ST.

[1] Please refer to Principle 12 for details on role of Audit Committee.

Based on the ERM framework established and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the CFO, the Board concurs with the recommendation of the AC and is of the opinion, that the Group's system of risk management and internal controls addressing financial, operational, compliance and information technology risks is adequate and effective to meet the needs of the Group in its current business environment as at 31 December 2013.

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

Audit Committee

Principle 12:
The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC is chaired by Mr Bob Tan Beng Hai and comprises Mr Sunil Tissa Amarasuriya and Professor Tan Kong Yam. All the members of the AC, including the Chairman, are Independent Non-Executive Directors. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains.

The AC functions independently of the officers and other Directors of the Company who are not AC members. Management is required to provide the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or executive officer to attend its meetings.

The AC is guided by its TOR which define its scope of authority. The principal responsibilities of the AC under its TOR include the following:

(a) to review the annual audit plan, effectiveness of the audit process, results of audit findings and Management's response;

(b) to review and monitor the effectiveness of the internal audit function;

(c) to develop and review the Company's policies and practices on corporate governance;

(d) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; and

(e) to review the adequacy and effectiveness of internal controls, as well as interested person transactions.

The AC reviews 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 also approves the compensation of the external auditors, as well as considers the nature and extent of non-audit services and their potential impact on the independence and objectivity of the external auditors.

A total of five AC meetings were held in FY 2013. The AC also held at least one meeting a year with the external and internal auditors, without Management's presence, 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 to the external auditors for FY 2013 was approximately S$805,000, of which audit fees amounted to approximately S$710,000 and non-audit fees (in relation to tax and other services) amounted to approximately S$95,000.

In FY 2013, the AC performed the duties as required under its TOR. In particular, the AC has:

(a) reviewed and discussed the Group's financial statements and announcements of the quarterly and half year results in FY 2013 and full year results for FY 2012;

(b) reviewed and approved the audit plans submitted by both the internal and external auditors of the Company for FY 2013;

(c) met with the internal and external auditors of the 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;

(d) 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

(e) 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.

The Company confirms that it complies with Rules 712 and 715 of the Listing Manual of the SGX-ST.

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 Company 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 prior to the beginning of each year. The AC also meets with the CMA IA at least once a year without the presence of Management.

The Board has overall responsibility for the governance of risk. During FY 2013, 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 the Company and its subsidiaries.

CMA IA staff are guided by the Standards for the Professional Practice of Internal Auditing (Standards) developed by the Institute of Internal Auditors Inc. (IIA), and has incorporated these Standards into its audit practices.

The Standards set by the IIA cover requirements on:

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

To ensure that the internal audits are performed by competent professionals, CMA IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For instance, the CMA IA staff who are involved in Information Technology (IT) audits are Certified Information System Auditors and members of the Information System Audit and Control Association (ISACA) in the United States of America. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to be applied in IT audits.

CMA IA identifies and provides training and development opportunities for its staff to ensure that 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.

The Company is committed to treating all its shareholders fairly and equitably and keeping all its shareholders and other stakeholders and analysts in Singapore and around the world informed of its performance and changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares, on a timely and consistent basis, so as to assist shareholders and investors in their investment decisions.

The Company provides accurate and timely disclosure of material information on the SGXNET and the website of the HKEx.

All shareholders are entitled to attend AGMs and are accorded the opportunity to participate effectively in and vote at AGMs. All shareholders are also informed of the rules, including voting procedures, governing such meetings.

In general, shareholders holding not less than 10% of the paid-up capital of the 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 the 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 the Company. The Board will convene an EGM by serving a notice of EGM to the shareholders of the 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.

Alternatively, two or more shareholders holding not less than 10% of the issued shares of the 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 the 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 the Company pursuant to Section 183 of the Singapore Companies Act, by submitting a written requisition signed by the requisitionists, to the 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 the Company's expenses in giving effect to the requisition. The Company will serve notice of such resolution to the shareholders of the 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.

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.

The Company has in place an Investor Relations department and a Corporate Communications department which facilitate effective communications with the Company's shareholders, analysts, fund managers and the media.

The Company actively engages with its shareholders and has put in place its Investor Relations Policy to promote regular, effective and fair communications with its shareholders. The Policy is uploaded on the Company's website at www.capitamallsasia.com.

The Board has established the CDC which is chaired by Mr Lim Tse Ghow Olivier and comprises Mrs Arfat Pannir Selvam and Mr Lim Beng Chee. The CDC reviews the promptness and comprehensiveness of corporate disclosure and announcements made via SGXNET and the website of the HKEx.

In line with the disclosure requirements mandated under the Listing Manual of the SGX-ST and the HKEx Listing Rules, the Company's policy is to communicate relevant information as soon as possible where immediate disclosure is not practicable. Regular briefings and meetings for analysts and the media are held, generally coinciding with the release of the Group's second quarter and full-year results. During these briefings, Senior Management reviews the Group's most recent performance and discusses the Company's outlook. In the interest of transparency and broad dissemination, these briefing are webcast live and accessible to the public on the Company's website at www.capitamallsasia.com, materials used in the briefings are disseminated via SGXNET and the website of the HKEx and recordings of the briefings are also archived on the Company's website. To communicate its business with and to understand the views of shareholders, regular mall visits, road shows and briefings for analysts and the media, as well as investors' meetings and conference calls, where practicable, are held throughout the year. In 2013, Management met with approximately close to 700 institutional investors and analysts through such events.

In addition, the Company pursues opportunities to keep its retail shareholders informed through the business media, website postings and other publicity channels. Materials used in the briefings to institutional shareholders are also disseminated via SGXNET and the website of the HKEx for easy access by retail shareholders.

Shareholders and potential investors have access to the Company's website which is available in English and Chinese, including a dedicated Investor Relations link providing the Company's latest announcements, and stock details. The public is able to post questions to the Company and the Board on the Company's website through the 'Contact Us' link. Shareholders may also raise any enquiry to the Company and the Board by post to the Company at (in the case of shareholders in Singapore) 39 Robinson Road, #18-01 Robinson Point, Singapore 068911, or (in the case of shareholders in Hong Kong) 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road, Central Hong Kong. In addition, the Company pursues opportunities to keep its retail shareholders informed through the business media, website postings and other publicity channels.

The Company has a policy on the payment of dividends. Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 20% of the annual profit after tax and minority interests.

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.

The Company supports the principle of encouraging shareholder participation and voting at general meetings. Shareholder receive the annual report and notice of the AGM and other general meetings (if any), Notices of the AGM and other general meetings (if any) are also advertised in the press and 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 the Company. All Directors (including the respective Chairpersons of the Board, AC, ERCC and NC), and the external auditors, would usually be present at general meetings.

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

Minutes of the general meetings are taken and are available to shareholders for their inspection upon their request.

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

The Company's communication efforts have been recognised by the investment community. In FY 2013, it was conferred a number of awards which are listed on page 18 of the Annual Report.

(E) ADDITIONAL INFORMATION

Additional Committees
Apart from the AC, ERCC, CDC, NC and RC, the Company has also set up the IC and the FBC.

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 IC is chaired by Mr Ng Kee Choe and comprises Mr Lim Ming Yan, Mr Lim Tse Ghow Olivier, Dr Loo Choon Yong, Professor Tan Kong Yam and Mr Lim Beng Chee.

The FBC reviews the annual budget and financial policies of the Group and makes recommendation to the Board for approval. In addition, the FBC reviews and approves updates to the CapitaMalls Asia Group Finance Manual. A total of two FBC meetings were held in FY 2013 to review the financial forecasts and the annual financial plan of the Group. The FBC is chaired by Mr Lim Ming Yan and comprises Mr Lim Tse Ghow Olivier, Mr Bob Tan Beng Hai and Mr Lim Beng Chee.

Company Secretary's Training

During FY 2013, both the company secretaries of the Company, Mr Choo Wei-Pin and Ms Tan Lee Nah, had each attended no less than 15 hours of relevant professional training to update their skills and knowledge.

Dealings in Securities

The Company has devised and adopted a securities dealing policy for the Group's officers and employees which applies the best practices recommendations in the Listing Manual of the SGX-ST and the Model Code of the HKEx Listing Rules. To this end, the Company has issued guidelines to Directors and employees in the Group, which set out prohibitions against dealings in the Company's securities while in possession of material unpublished price-sensitive information, as well as during the period commencing from the end of the relevant quarter to the date of the release of the Company's first three quarters results; and the period commencing from the end of the financial year to the date of the release of the Company's full year results. The foregoing black out periods are based on those of the Model Code set out in Appendix 10 of the HKEx Listing Rules which the Company believes, in practice, are more stringent than those in the Listing Manual of the SGX-ST.

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 the Company's securities on short-term considerations.

The Board has established 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 (Code for Securities Transactions). The Code for Securities Transactions sets out, inter alia, prohibitions against dealings in the 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, the Company understands that all Directors have complied with the required standard set out in the Model Code and the Code for Securities Transactions for financial year 2013, including the requirement that Directors and officers of the Company are not permitted to deal in the Company's securities during the afore-mentioned black out periods, or when they are in possession of any unpublished price sensitive information on the Company.

Code of Business Conduct

The 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 the Company have each been given a printed employee handbook which sets out these policies clearly. The policies and guidelines are published on the Company's intranet which is accessible by all staff.

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

First, the 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. The 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, the Company seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values.

Anti-Corruption and Bribery Policy

The 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 the Group are required to make a declaration on an annual basis where they pledge to uphold its core values and not to engage in any corrupt or unethical practices. The 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. The Company's stance against corruption and bribery is frequently reiterated by Management during its regular staff communication sessions as well.
The Company's zero tolerance policy against corruption and bribery extends to its dealings with third party service providers and vendors. Pursuant to such policy, the Company requires that all agreements of the Group with third party service providers and vendors incorporate robust anti-corruption and anti-bribery provisions.

Whistle Blowing Policy
Whistle-blowing policy and procedures are put in place to provide employees of the Group and parties with dealings with the Group with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other impropriety in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The objective of the whistle-blowing policy is to encourage the reporting of such matters – that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly, and to the extent possible, be protected from reprisal.

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	Risk Committee[1]
Liew Mun Leong[2]	–	C	M	–	C	M	–
Ng Kee Choe[3]	–	–	M	–	C	M	–
Lim Ming Yan[4]	–	C	M	C	M	M	M
Jennie Chua[5]	–	–	–	–	–	–	–
Lim Tse Ghow Olivier[6]	–	C	–	M	M	–	–
Sunil Tissa Amarasuriya[7]	M	–	C	–	–	–	–
Tan Sri Amirsham A Aziz[8]	–	–	M	–	–	–	C
Dr Loo Choon Yong[9]	–	–	C	–	M	C	–
Arfat Pannir Selvam	–	M	–	–	–	M	–
Professor Tan Kong Yam	M	–	–	–	M	–	–
Yap Chee Keong[10]	C	–	–	M	–	–	–
Bob Tan Beng Hai[11]	C	–	–	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 FY 2013.

ATTENDANCE RECORD OF GENERAL MEETINGS & BOARD AND BOARD COMMITTEE MEETINGS

Board Members	Board	Audit Committee	Corporate Disclosure Committee	Executive Resource and Compensation Committee	Finance and Budget Committee	Investment Committee	Nominating Committee	Risk Committee[1]
No. of Meetings held	**7**	**5**	**–**	**1**	**2**	**–**	**1**	**–**
Liew Mun Leong[2]	2	–	–	1	–	–	1	–
Ng Kee Choe[3]	6	–	–	–	–	–	–	–
Lim Ming Yan[4]	7	–	–	–	–	–	–	–
Jennie Chua[5]	3	–	–	–	–	–	–	–
Lim Tse Ghow Olivier[6]	6	–	–	–	2	–	–	–
Sunil Tissa Amarasuriya[7]	6	4	–	1	–	–	–	–
Tan Sri Amirsham A Aziz[8]	5	–	–	–	–	–	–	–
Dr Loo Choon Yong[9]	7	–	–	1	–	–	1	–
Arfat Pannir Selvam	7	–	–	–	–	–	1	–
Professor Tan Kong Yam	7	5	–	–	–	–	–	–
Yap Chee Keong[10]	2	2	–	–	-	–	–	–
Bob Tan Beng Hai[11]	6	4	–	–	2	–	–	–
Lim Beng Chee	7	–	–	–	2	–	–	–

1 RC was established with effect from 1 November 2013 and no RC Meeting was held for the period from 1 November 2013 to 31 December 2013.

2 Mr Liew Mun Leong retired as Chairman of the Board and Chairman of the CDC and the IC, and as a member of the ERCC and the NC with effect from the conclusion of the Annual General Meeting of the Company on 24 April 2013.

3 Mr Ng Kee Choe was appointed as a Non-Executive Director on 1 March 2013 and Chairman of the Board on 24 April 2013. He was appointed as Chairman of the IC and as a member of the ERCC and the NC with effect from 1 November 2013.

4 Mr Lim Ming Yan was appointed as Chairman of the FBC and a member of the RC on 1 November 2013. He resigned as Chairman of the CDC and IC and as a member of the ERCC and NC with effect from 1 November 2013. Mr Lim remains as a member of the IC.

5 Ms Jennie Chua will be retiring as Non-Executive Director of the Company with effect from the conclusion of the Annual General Meeting of the Company to be held on 17 April 2014.

6 Mr Lim Tse Ghow Olivier was appointed as Chairman of the CDC and resigned as Chairman of the FBC with effect from 1 November 2013. Mr Lim remains as a member of the FBC.

7 Mr Sunil Tissa Amarasuriya was appointed as Chairman of the ERCC with effect from 1 November 2013.

8 Tan Sri Amirsham A Aziz was appointed as Chairman of the RC and a member of the ERCC with effect from 1 November 2013.

9 Dr Loo Choon Yong was appointed as the Lead Independent Director of the Company with effect from 1 November 2013. Dr Loo resigned as Chairman of the ERCC with effect from 1 November 2013.

10 Mr Yap Chee Keong retired as an Independent Non-Executive Director and Chairman of the AC and as a member of the FBC with effect from the conclusion of the Annual General Meeting of the Company on 24 April 2013.

11 Mr Bob Tan Beng Hai was appointed as Independent Non-Executive Director and as a member of the AC and the FBC on 1 March 2013. Mr Tan was appointed as Chairman of the AC on 24 April 2013 as a member of the RC on 1 November 2013.

Enterprise Risk Management

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

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. 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. A Risk Committee (RC) was established on 1 November 2013, the RC comprises of three independent directors and scheduled to meet on a quarterly basis. The role of the RC will be to assist the Board of Directors in carrying out its responsibility of overseeing the risk management framework and policies.

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.

CMA has adopted an Enterprise Risk Management (ERM) framework that enables it to manage risks in an integrated, systematic and consistent manner. As a foundation to this framework, CMA aims to create a risk-aware culture which embeds prudent risk-taking in decision-making and business processes.

A robust internal control system and an effective independent audit review process are the twin pillars that underpin the ERM framework, addressing financial, operational, compliance and information technology risks to safeguard shareholders' interests and the Group's assets, and also to manage risks. The line management is responsible for the design and implementation of effective internal controls using a risk-based approach. The Internal Audit function carries out independent reviews to test the design and implementation to provide reasonable assurance to AC on the adequacy and effectiveness of the internal control system. CMA conducts semi-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.

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' interest and value 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 the following but are not limited to:

Economic Risk

CMA is exposed to the 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.

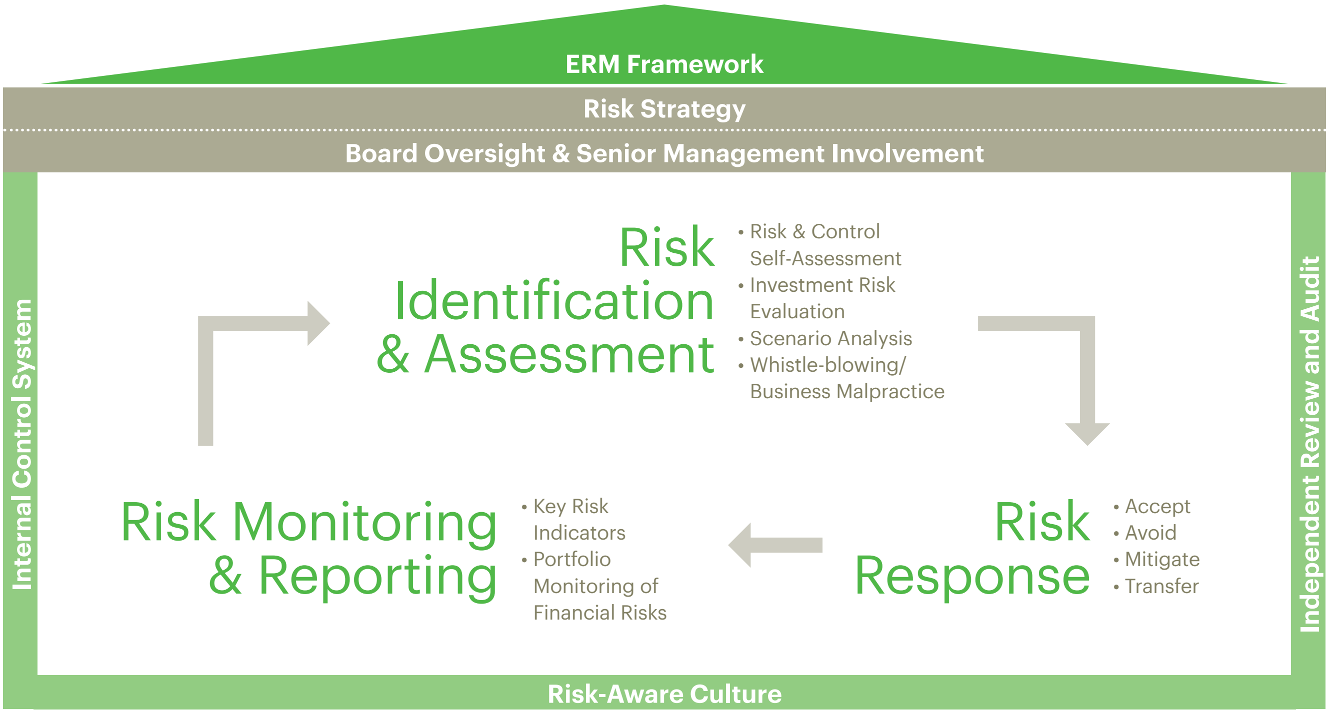
To manage the risk, CMA adopts a disciplined approach towards financial management through the monitoring of macro-economic environment and trends, and their implications on the financial and property markets.

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 team supported by local team who are both familiar with the local conditions and culture. Concentration risk in a single country is also avoided through a risk-based country asset allocation system.

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 analyses 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 risk 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 risk 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 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 includes 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.

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 refinance maturing debt. CMA being dual-listed on the Singapore Stock Exchange (SGX-ST) and the Hong Kong Stock Exchange (HKEx) provides wider 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 Rupees. 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 & Media Relations

PRO-ACTIVE ENGAGEMENT AND OUTREACH

CMA is committed to high standards of disclosure and corporate transparency. Effective, timely and fair communication with our shareholders guides CMA's investor and media relations efforts. Underlying our pro-active engagement approach is our Shareholders' Communication and Investor Relations Policy, which can be found on our corporate website at http://www.capitamallsasia.com/en/corporate/investor-relations/ir-policy.

With dedicated investor relations and corporate communications teams, we proactively engage investors, analysts and media in Singapore and worldwide to communicate our investment story and business, and to also understand and address their interests.

We place high priority on providing timely and accurate disclosure of financial results, announcements and relevant information to the public. A variety of communication channels are in place to facilitate this:

- All announcements, presentation materials and press releases are published on our English and Chinese websites, SGXNET and HKEx-EPS. We also revamped our English and Chinese websites in September, containing updated information and clearer organisation for better communications with investors, analysts, media and the public.
- Periodic and timely email updates give investors, analysts and media timely notifications on results, business developments and related announcements.
- Briefings and live teleconferences are conducted for analysts and media for half-year and full-year results, as well as announcements on pertinent developments. Recorded web and audiocasts are made available on our website for investors, analysts, media and the public to access anytime.
- Enquiries and feedback from the public can be conveniently sent to us through the 'Contact Us' link on our website.

We also place emphasis on quality interaction with the investment community through Annual General Meetings (AGMs), briefings, face-to-face investor meetings, teleconferences, investor conferences, roadshows, and mall visits. To strengthen our relations with existing investors and to reach out to new ones, we participated in several overseas non-deal roadshows/conferences in Amsterdam, Beijing, Boston, Chicago, Copenhagen, Edinburgh, Florida, Frankfurt, Hong Kong, London, New York, Paris, Tokyo, Toronto, San Francisco, Stockholm and Zurich. In total, we met more than 900 fund managers, institutional investors and analysts through more than 240 meetings and 100 visits to our malls.

In addition, we organised an annual familiarisation trip for our analysts and media to Xi'an, Beijing and Tokyo, as well as an analysts' tour of Westgate in Singapore. Such visits offer a first-hand perspective of our malls' operations to cultivate a greater appreciation of CMA's capabilities and competitive advantages.

We value the support from our retail shareholders. In June 2013, our senior management participated in the SGX Retail Seminar which saw a lively and interactive discussion with retail investors.

As at 31 December 2013, we are covered by 22 research houses from both Singapore and Hong Kong, up from 19 last year.

SHAREHOLDERS AND MEDIA ENQUIRIES

If you have any enquiries or would like to find out more about CMA, please contact:

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Investor Relations

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Investor & Media Relations

INVESTOR AND MEDIA RELATIONS CALENDAR 2013

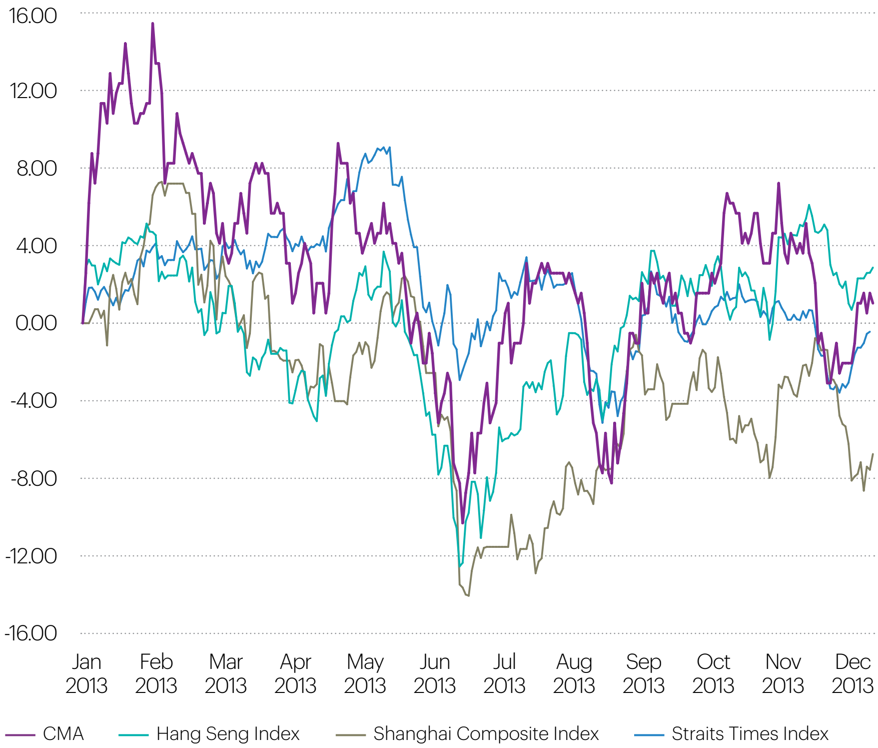
Date	Events	Organiser
15 Jan	Analysts Briefing on Award of Prime Site for Shopping Mall in Wuhan	CMA
07 Feb	FY 2012 Financial Results Briefing to Analysts and Media and Live Webcast	CMA
07 Feb	FY 2012 Post Results Investors Luncheon	DB
19 Feb	CapitaLand Group Annual Media Lunar New Year Lunch	CapitaLand
25 Feb – 26 Feb	Hong Kong Non-Deal Roadshow	J.P. Morgan
03 Mar – 06 Mar	Citi 2013 Global Property CEO Conference	Citi
07 Mar	Debt Investors Briefing	DBS
07 Mar – 08 Mar	US Non-Deal Roadshow	Jefferies
11 Mar – 15 Mar	Europe Non-Deal Roadshow	Macquarie
24 Apr	Annual General Meeting & Extraordinary General Meeting	CMA
25 Apr	1Q 2013 Post Results Investors Luncheon and Conference Call	Barclays
07 May – 08 May	Tokyo Non-Deal Roadshow	J.P. Morgan
05 Jun	Beijing Non-Deal Roadshow	J.P. Morgan
06 Jun	CapitaLand Investors' Day	CapitaLand
20 Jun	SGX Sector Connect Seminar	SGX
20 Jun - 23 Jun	Chengdu Media Familiarisation Trip to Singapore	CMA
15 Jul	Analysts Briefing on Acquisition of Grand Canyon Mall in Beijing	CMA/CRCT
23 Jul	1H 2013 Financial Results Briefing to Analysts and Media and Live Webcast	CMA
24 Jul – 25 Jul	1H 2013 Post Results Investors Breakfast and Conference Call	Morgan Stanley
06 Aug – 07 Aug	Hong Kong Non-Deal Roadshow and Media Interviews	Jefferies
14 Aug	CapitaLand Debt Investor Day	CapitaLand
03 Sep – 06 Sep	Europe Non-Deal Roadshow	J.P. Morgan, BNP Paribas
05 Sep	JP Morgan ASEAN London Forum	J.P. Morgan
05 Sep – 08 Sep	Annual Analysts and Media Trip to Xi'an, Beijing & Tokyo	CMA
09 Sep	Tokyo Non-Deal Roadshow	UBS
09 Sep – 10 Sep	Europe Non-Deal Roadshow	UBS
11 Sep – 12 Sep	Bank of America Merrill Lynch 2013 Global Real Estate Conference	BAML
11 Sep – 16 Sep	US / Canada Non-Deal Roadshow	BAML
30 Oct	3Q 2013 Post Results Investors Breakfast and Conference Call	Credit Suisse
01 Nov	CapitaLand Group Annual Analysts and Media Party	CapitaLand
12 Nov	CapitaLand Investors' Day	CapitaLand
13 Nov	Morgan Stanley Twelfth Annual Asia Pacific Summit	Morgan Stanley
20 Nov	Analysts Briefing on Acquisition of Shopping Mall in Guangzhou	CMA
23 – 26 Nov	CapitaLand Group Analysts and Media Familiarisation Trip to Shanghai, Guangzhou and Shenzhen	CapitaLand
13 Dec	Analysts' Tour of Westgate	CMA
20 Dec	Analysts Briefing on Joint Development of Project Jewel at Changi Airport with Changi Airport Group	CMA

KEY INDICES THAT CMA IS INCLUDED IN:

FTSE Asian Property Index	GPR 250 Asia Pacific ex-Japan Index	MSCI All Country World Index
FTSE Developed ex-Multinational Singapore – Real Estate and Investment & Services REITs Index	GPR 250 South-Eastern Asia Index	MSCI All Country Pacific Index
FTSE EPRA/NAREIT Developed Pure Asia Index	GPR 250 Singapore Index	MSCI All Country Far East Index
FTSE EPRA/NAREIT Singapore Index	GPR General Index	MSCI All Country Asia Index
FTSE Global Equity Index Series with Singapore Large Cap Index – Real Estate Holding and Development REITs Index	GPR General ex-US Index	MSCI World Index
FTSE TOBAM Developed Asia Pacific ex-Japan	GPR General Far East Index	MSCI Europe, Australasia, Far East (EAFE) Index
GPR 250 Index	GPR General Far East ex-Japan Index	MSCI Pacific Index
GPR 250 World ex-US Index	GPR General Singapore Index	MSCI Singapore Index
GPR 250 Asia Index	GPR General Quoted Index	S&P Asia Pacific BMI
GPR 250 Asia ex-Japan Index	GPR General Quoted ex-US Index	S&P Global BMI
GPR 250 Asia Pacific Index	GPR General Quoted Far East Index	S&P Asia Property 40 Index
	GPR General Quoted Far East ex-Japan Index	S&P Developed BMI Property Ex REIT
	GPR General Singapore Index	S&P Global Intrinsic Value Index
	Hang Seng Foreign Companies Composite Index	STI Index – Real Estate Holding & Development REITs Index
	Hang Seng Global Composite Index	

RELATIVE SHARE PRICE PERFORMANCE

(%)



ANALYST COVERAGE (AS AT 31 DECEMBER 2013)

1. Bank of America Merrill Lynch
2. Barclays Bank
3. China International Capital Corporation
4. CIMB Research
5. Citi Investment Research
6. CLSA
7. Credit Suisse
8. Daiwa Capital Markets
9. DBS Vickers Securities
10. Deutsche Bank Research
11. Goldman Sachs
12. Jefferies Hong Kong
13. J.P. Morgan Securities
14. Kim Eng Research
15. Macquarie Research
16. Morgan Stanley
17. Nomura
18. OCBC Investment Research
19. Phillip Securities Research
20. Religare Capital Markets
21. Standard Chartered Bank
22. UBS Securities

Corporate Social Responsibility

My Schoolbag

About
21,000
underprivileged children

in Singapore, China, Malaysia, Japan and India benefited from My Schoolbag in 2013.

As our shopping malls are an integral part of the communities they serve, CapitaMalls Asia is committed to our responsibilities as a corporate citizen. In 2013, we continued to strengthen our corporate social responsibility (CSR) outreach and community engagement programmes.

CARING FOR SOCIETY

"My Schoolbag" is CapitaMalls Asia's signature annual CSR programme, whereby schoolbags containing school and daily necessities are given to underprivileged children in the five countries where our CapitaMalls operate. Under this programme, about 21,000 underprivileged children in Singapore, China, Malaysia, Japan and India benefitted from a donation of about S$500,000 in 2013. The donation was made possible with funding from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

In Singapore, CapitaMalls Asia worked with the five Community Development Councils for the second consecutive year to help 750 children from low-income families. Accompanied by over 500 staff and community volunteers, the children were each given S$150 worth of CapitaVouchers to shop for schoolbags and other school and daily necessities at a CapitaMall located within their districts. To make their outings to the malls more memorable, the children were treated to lunch, a skit that promoted the 3Rs (reduce, reuse and recycle), as well as games and entertainment.

In China, CapitaMalls Asia collaborated with the China Foundation for Poverty Alleviation to donate new schoolbags and stationery to more than 19,000 first grade students from over 200 schools in 21 provinces, municipalities and autonomous regions, including students from 19 CapitaLand Hope Schools. To promote an active lifestyle among the children, CapitaMalls Asia also donated exercise equipment to 36 needy schools. With help from about 800 volunteers comprising staff and retailers, the donation exercise took place in the first two weeks of September, which marked the start of the academic year for Chinese students.

My Schoolbag also took place in Malaysia, Japan and India, benefitting more than 1,000 children in these countries.

In addition to My Schoolbag, our CapitaMalls across the region held community activities in support of various causes throughout the year. In China, the activities included mid-autumn celebrations with intellectually disabled students and underprivileged children at CapitaMall Yuhuating in Changsha and CapitaMall Wuhu respectively; outreach activities catering to the elderly to mark China's Seniors' Day at CapitaMall Taohualun in Yiyang; and delivery of baby supplies to quake-hit Ya'an in Sichuan Province by our West China team. Hongkou Plaza and CapitaMall Qibao in Shanghai as well as CapitaMall Rizhao carved out spaces for mini farms to help cultivate a respect and love for nature among children growing up in the two cities. Such activities reinforced the role of our CapitaMalls as anchors in the communities they serve.

CARING FOR THE ENVIRONMENT

Reiterating our support for Earth Hour – the global campaign aimed at raising awareness about climate change – 69 of our malls across all five markets turned off facade and non-essential lights for 10 hours from 8.30 pm on Saturday, 23 March 2013.

In conjunction with Earth Hour, Clarke Quay and Funan DigitaLife Mall in Singapore hosted an interactive augmented reality exhibition to spread the message of sustainability for a greener future. Under this collaboration with Singapore Polytechnic and ETH Zurich's Digital Art Weeks International, shoppers used their smartphones to activate augmented reality animations of CapitaLand's green mascot, CapitaFrog, which then shared tips on saving the environment. During this period, five other CapitaMalls in Singapore also held collection drives for used plastic bottles, metal cans and paper, which were then sent for recycling.

Beyond Earth Hour, our malls also organised green events all year round that reached out to the community. In China, CapitaMall Wusheng in Wuhan and CapitaMall Hongqi in Xinxiang held mass cycling events to promote cycling as a healthy and green form of transport. As part of Halloween celebrations, CapitaMall Meilicheng in Chengdu held a fashion showcase whereby pairs of parent-child participants turned unwanted items into works of wearable art. During the Chinese Mid-Autumn Festival, seven CapitaMalls in South China exhibited art pieces made from recycled mooncake boxes donated by shoppers. These events helped to instill an awareness and appreciation of the benefits of recycling among the community.

In Malaysia, Queensbay Mall in Penang held a charity cycling event involving more than 500 cyclists, which helped to highlight cycling as a green form of transport. The Mines in Selangor launched a plant adoption drive whereby funds collected were donated to its chosen charity, Dignity for Children Foundation. In Kuantan, East Coast Mall embarked on its "Green Love" campaign, which encouraged members of the public to reuse and reduce wastage of books and toys by donating their pre-loved items to benefit children in need.

In Japan, Olinas Mall in Tokyo organised the inaugural Sumida GOMI-picking Sport Event, whereby teams comprising local residents and representatives from corporations competed for the quantity and quality of trash they collected within a limited time and area. The event helped to promote a love and respect for the environment in a fun and engaging manner.

In India, staff from The Celebration Mall, Udaipur, planted trees around the mall for the second consecutive year, which contributed to greater greenery in its community.

GREEN ENGAGEMENT

During the Singapore Green Building Week organised by the Building and Construction Authority (BCA) of Singapore, CapitaMalls Asia lent support to the International Green Building Conference by hosting a delegates' visit to JCube, a BCA Green Mark Platinum award-winning mall. ION Orchard and Funan DigitaLife Mall also hosted the BCA's Green Building Exhibition. Supporting such events helped to deepen our engagement with stakeholders in the green building sector and reinforce the company's commitment towards green building design and operations.

GREEN AND ACCESSIBILITY ACCOLADES

In 2013, CapitaMalls Asia received six green and three accessibility accolades, bringing the total number of its green and accessibility awards to 40. This included Westgate's achievement of the Green Mark Platinum Award, the highest level

Corporate Social Responsibility

JCube, Singapore

of recognition accorded to green buildings by the BCA. This was CapitaMalls Asia's fifth Green Mark Platinum award, following similar recognition for JCube in 2011, as well as Bedok Mall and Bedok Residences, Bugis+ and Junction 8 in 2012.

Westgate is integrated with resource-efficient and environmentally-friendly technologies and features, such as the use of shading device and glazed glass on its facade to reduce heat absorption; energy-efficient air-conditioning systems, light fittings and lift systems; and the use of harvested rain water to irrigate all its landscaped areas. These provisions help Westgate achieve about 30% savings in both energy and water consumption. Other green features include The Courtyard – a naturally ventilated atrium, and the use of low volatile organic compound paints and materials to improve air quality. To maximise its green performance, Westgate integrates its green features – the "hardware"– with Green Lease – the "software". Under its Green Lease model, retail tenants are required to comply with operations and maintenance guidelines that will contribute towards Westgate's long-term sustainability.

Besides its green features, the design of Westgate epitomises the seamless connectivity that is characteristic of the Jurong Gateway precinct where it is located. The seven-metre wide linkway on its ground level and the six-metre wide elevated pedestrian walkway on Level 2 connect the Jurong East MRT and bus interchanges to the neighbouring buildings. Extra effort has been made to make the development accessible, including for those with special needs. In recognition of its accessibility, connectivity and user friendliness, Westgate was conferred the BCA Universal Design Mark Gold Plus (Design) Award. The BCA Universal Design Mark is a voluntary initiative launched in October 2012 to encourage the adoption of a user-centric philosophy in building design, operations and maintenance.

JCube and Bedok Mall and Bedok Residences were also recognised with Universal Design Mark awards in 2013. JCube was one of the first completed projects in CapitaMalls Asia's portfolio to adopt Universal Design Mark principles, such as a driveway, passageways and entrances that are wider; barrier-free access; and provision of family–friendly amenities such as its signature ice rink that sits in the centre of the mall.

As for Bedok Mall and Bedok Residences, the integrated development boasts excellent connectivity to adjacent buildings in the Bedok Town Centre. Further addressing the needs of families and the elderly living in the mature estate, Bedok Mall also incorporates family-friendly features and services such as nursing rooms and loan of strollers and wheelchairs.

In addition, four private retail real estate funds under CapitaMalls Asia took part in the 2013 Global Real Estate Sustainability Benchmark (GRESB) survey. Of these, China Development Fund II and China Income Fund were rated Green Star, while China Incubator Fund and India Development Fund were rated Green Talk.

Achieved a total of

40

green and accessibility accolades to date

Including 6 green and 3 accessibility awards in 2013.

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 develop and empower our people to unleash their potential with an integrated human capital strategy.

TALENT MANAGEMENT

We are well poised to meet the resourcing challenges to support our business growth. We actively seek talents to support our growth in Singapore and overseas. As part of our talent management strategy, we seek to reinforce our bench strength with talents recruited at different transition points in their career paths, from fresh graduates to young, mid-career professionals and industry veterans.

We believe in talent cross fertilisation, and leverage on our regional Human Resource functions to build people. As part of career development, employees are given exposure by rotating to different malls, functions, cities or countries.

COMPETITIVE COMPENSATION AND BENEFITS

We offer our people competitive remuneration packages. These include short-term cash bonuses and long-term equity-based reward plans such as restricted shares for managers. Such equity-based reward plans help to bridge reward and performance, as well as to retain talent. In addition, we conduct regular benchmarking against different markets to ensure we stay attractive to continue to attract and retain talent.

DEVELOPING OUR PEOPLE

In line with our belief that continual learning is a fundamental building block of growth, we invest in our staff through comprehensive development programmes. We encourage staff to acquire relevant knowledge and skills to achieve business excellence. Throughout 2013, our people participated in study visits to overseas malls in China, Malaysia, Hong Kong and India to network and gain insights into interesting retail concepts outside Singapore.

For new hires, we take extra effort to integrate them into culture and systems quickly and effectively. We organised CMA Immersion Programmes for all new hires to gain insights into our business operations. We reinforced our core values so as that they are aware and remain aligned to CMA's management philosophy.

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

ENGAGING OUR PEOPLE

Senior Management conduct staff communication sessions regularly to keep staff abreast of our financial results and strategic business thrusts. As part of our concerted efforts to engage our staff, we organise regular recreational and teambuilding events to foster cohesiveness and bonding.

CARING FOR OUR PEOPLE

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


bedok mall
SEPHORA
A&F

Positioned for Growth

Our business is underpinned by Asia's growing markets, driven by rising demand.

Business Review

Singapore

Westgate, Singapore

Total Number of Shopping Malls [1] (including 1 under development)	Total GFA (sq ft)
20	14.6m
Total Operational NLA [2] (sq ft)	**Total Property Value [3]** (100% basis)
6.6m	S$15.4b
NPI Yield [4]	**Occupancy Rate [5]**
5.8%	99.3%

In Singapore, we have 19 operational CapitaMalls and one under development, with a total GFA of 14.6 million sq ft and operational NLA of 6.6 million sq ft.

Our malls enjoy strong shopper traffic as most of them are well-connected to key public transport nodes and are strategically located either in areas with large population catchments or within Singapore's popular shopping and tourist destinations.

We have more than 3,500 leases with international and domestic retailers, achieving a high occupancy rate of approximately 99.3% across our Singapore malls. This is a good testament of our strong tenant relationships and in-depth understanding of the needs of both shoppers and retailers.

2013 was an exciting year for us as we saw the opening of two CapitaMalls, namely Westgate and Bedok Mall. The shopping mall at Westgate, an integrated retail and office development in Jurong Gateway, commenced operations in December. The premier family and lifestyle mall brings to the west of Singapore, brand names that used to be the exclusive domain of shopping malls in town. In the same month, we opened Bedok Mall, which is part of an integrated retail and residential development. It is the first major shopping mall in Singapore's largest residential estate, and the mall was fully leased ahead of its opening.

In 2013, we leveraged on our expertise in extracting value from our operating malls through asset enhancement initiatives (AEIs). IMM Building completed the first phase of its repositioning exercise to house more than 55 outlet stores, making it the largest outlet mall in Singapore. We are working on the next phase of AEI works to further increase the number of outlet stores. In addition, Bugis Junction commenced its AEI, which involved the recovery of close to 70,000 sq ft of anchor space to convert to specialty stores. The first phase of the works was completed in 2013 and the next phase will complete in 2014.

During the year, we also strengthened our market leadership with a new acquisition for future growth. We formed a 49:51 joint venture with Changi Airport Group to develop and own Project Jewel at Changi Airport. It will be a 'must-visit' destination when it is completed in end-2018.

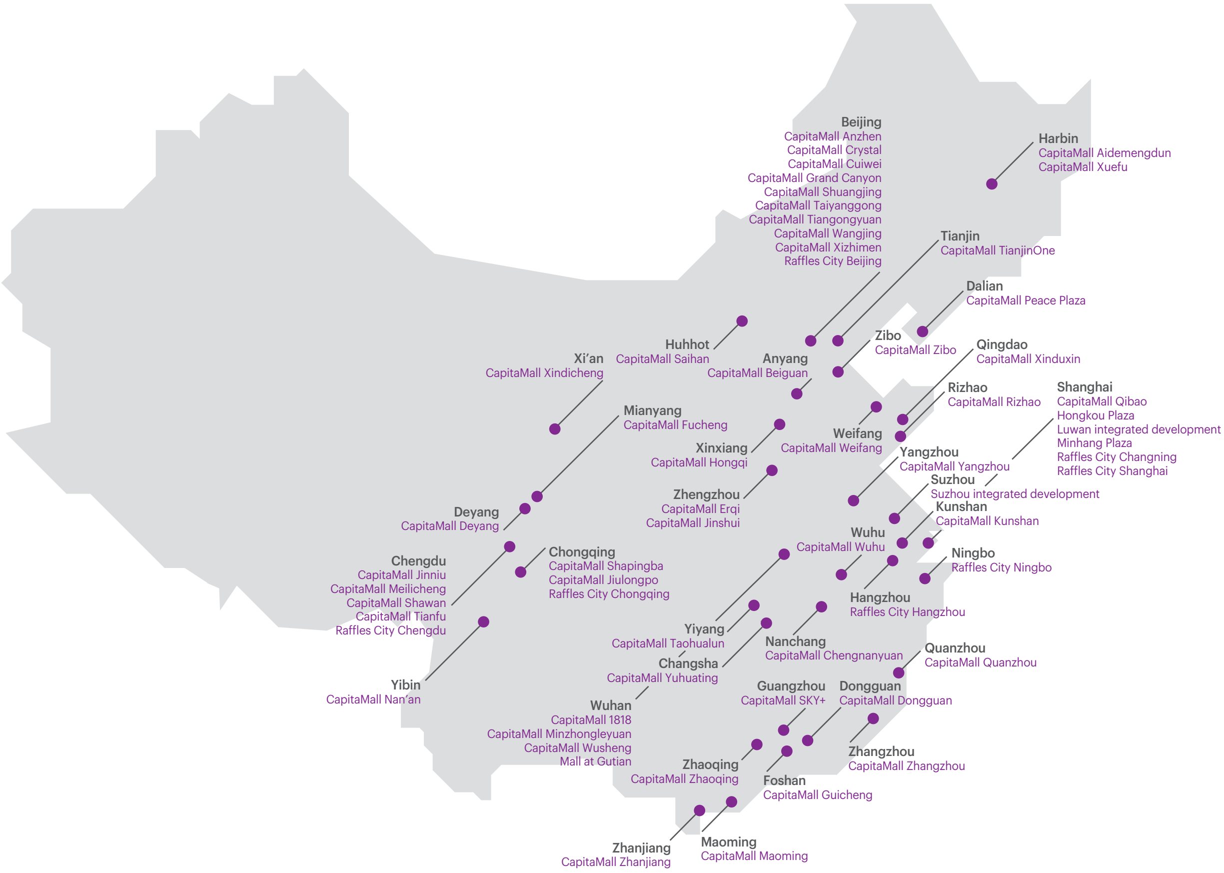
We continually evaluate our portfolio to enhance value for shareholders. On 23 January 2014, a consortium entered into sales and purchase agreements to purchase Westgate Tower, the office component of Westgate, for S$579.4 million.

Although the Singapore Ministry of Trade and Industry's forecast is for the domestic economy to grow between 2.0% and 4.0% in 2014, uncertainties in the global economy may affect consumer sentiment. Nonetheless, we remain confident that our defensive portfolio of malls focusing mainly on necessity shopping, strong retailer network, and knowledge of tenants and shoppers will put us in good stead in times of economic uncertainty.

For more details of our properties, please refer to portfolio details on page 90.

1 Excludes ION Orchard Link and Westgate Tower.
2 Excludes properties under development as at 31 December 2013.
3 Excludes The Orchard Residences, Bedok Residences and Westgate Tower.
4 Refers to weighted average yield of our operational properties (excluding Bedok Mall, JCube, The Star Vista and Westgate), computed on a 100% basis, by using the NPI for FY 2013, divided by the property values as at 31 December 2013.
5 Refers to weighted average committed occupancy rate for operational properties (excluding Bedok Mall, JCube, The Star Vista and Westgate) as at 31 December 2013.

China



CapitaMall Jinniu, Chengdu

Total Number of Shopping Malls
(including 11 under development)

62

Total GFA
(sq ft)

69.4m

Total Operational NLA[1]
(sq ft)

26.6m

Total Property Value[2]
(100% basis)

S$16.2b

NPI Yield[3]

5.4%

Occupancy Rate[3]

97.3%

We have 62 CapitaMalls across 37 cities in China, with a total GFA of 69.4 million sq ft and operational NLA of 26.6 million sq ft. Of these, 51 malls are operational and 11 are under development.

The year 2013 marked another exciting phase of growth for our portfolio in China. We opened two CapitaMalls, namely CapitaMall Meilicheng and the second phase of CapitaMall Jinniu, which is 1.5 times the size of the original mall. Both malls are in Chengdu – gateway to the fast growing West China region, and had committed occupancy of over 90.0%. Meanwhile, our existing operational malls registered robust growth: on a same-mall basis, NPI rose by 13.1% in tandem with continued double digit growth in tenants' sales.

To build scale and strengthen our presence in China, CMA made three sizeable acquisitions in 2013. The acquisition of CapitaMall Grand Canyon through CapitaRetail China Trust added the tenth mall to our portfolio in Beijing, strengthening our market leadership in the capital. The acquisition of CapitaMall SKY+ marked CMA's strategic entry into a first-tier city in South China. Earlier in 2013, we also secured a prime site at Gutian in Wuhan. That is CMA's fourth mall in the city, which has a population of about 10 million and is a major transport and commercial hub in Central China.

In terms of capital recycling, we injected CapitaMall 1818 in Wuhan and CapitaMall Xinduxin in Qingdao, as well as our 66% stake in our integrated development in the Luwan district of Shanghai, to CapitaMalls China Development Fund III (CMCDF III). This is our largest private equity fund to date, and our fourth fund on China.

China's continued long-term growth prospects are instrumental to our business. Notwithstanding economic volatility in the US and Europe, China recorded a relatively healthy GDP growth of 7.7% in 2013 – above the official target of 7.5%. On the back of rising income and growing domestic consumption, China's retail sales increased 13.1% from the year before. China has maintained its GDP growth forecast for 2014 at 7.5%. With long-term stability as the key priority, continued commitment to focus on the quality and sustainability of economic growth, and higher clarity in government policies to boost domestic consumption, CMA remains positive on China's long-term outlook.

In 2014, we target to open two malls, namely CapitaMall Tianfu in Chengdu and CapitaMall SKY+ in Guangzhou. We will continue to pursue suitable acquisitions and development opportunities to expand our footprint in the key gateway cities of Beijing, Shanghai, Guangzhou, Chengdu, Wuhan and Chongqing, positioning ourselves to ride on China's widespread growth.

For more details of our properties, please refer to portfolio details on page 90.

1 Excludes properties under development as at 31 December 2013.
2 Excludes residential componments for sale.
3 For malls opened before 1 January 2013.

Malaysia

Queensbay Mall, Penang

Total Number of Shopping Malls
(including 1 under development)

6

Total GFA [1]
(sq ft)

5.5m

Total Operational NLA [2]
(sq ft)

3.4m

Total Property Value
(100% basis)

S$1.5b

NPI Yield [2]

6.8%

Occupancy Rate [2]

97.8%

In Malaysia, we have six CapitaMalls with an aggregate GFA of 5.5 million sq ft and operational NLA of 3.4 million sq ft. With a committed occupancy rate of 97.8% and shopper traffic of 71.5 million as at 31 December 2013, our Malaysia shopping malls performed well in 2013. Four of our malls are owned through CapitaMalls Malaysia Trust (CMMT), which is listed on the Main Market of Bursa Malaysia Securities Berhad, and in which we have an effective stake of 36.10%.

On 3 October, CMA and Sime Darby Property commenced construction of Melawati Mall, which is located on prime commercial land in the Taman Melawati area north east of Kuala Lumpur. Positioned as a one-stop retail and lifestyle destination, the eight-storey Melawati Mall, with an NLA of about 620,000 sq ft, aspires to bring the city shopping experience, with its comprehensive and fashionable offerings, to the residents of Melawati township and nearby towns. Scheduled for completion by end 2016, the mall fronting the highway that links to Kuala Lumpur city centre will serve an estimated 800,000 people within a 15-minute drive. The total development cost is expected to be about RM670.0 million. This project is CMA's first greenfield development in Malaysia, and will further strengthen our foothold in the country.

Asset enhancement and upgrading initiatives were undertaken at CMA's Malaysia malls throughout 2013. At East Coast Mall, a RM60.0 million AEI commenced in early 2013 and is scheduled to be completed by the end of 2014. The AEI involves tenant remixing, reconfiguration of existing retail areas and conversion of some car park bays to retail space. It will further strengthen East Coast Mall's position as the leading shopping mall in Kuantan. Various upgrading initiatives including reconfiguration of units also took place at Gurney Plaza and Queensbay Mall in Penang, Sungei Wang Plaza in Kuala Lumpur and The Mines in Selangor, as part of our continual efforts to improve the shopping experience.

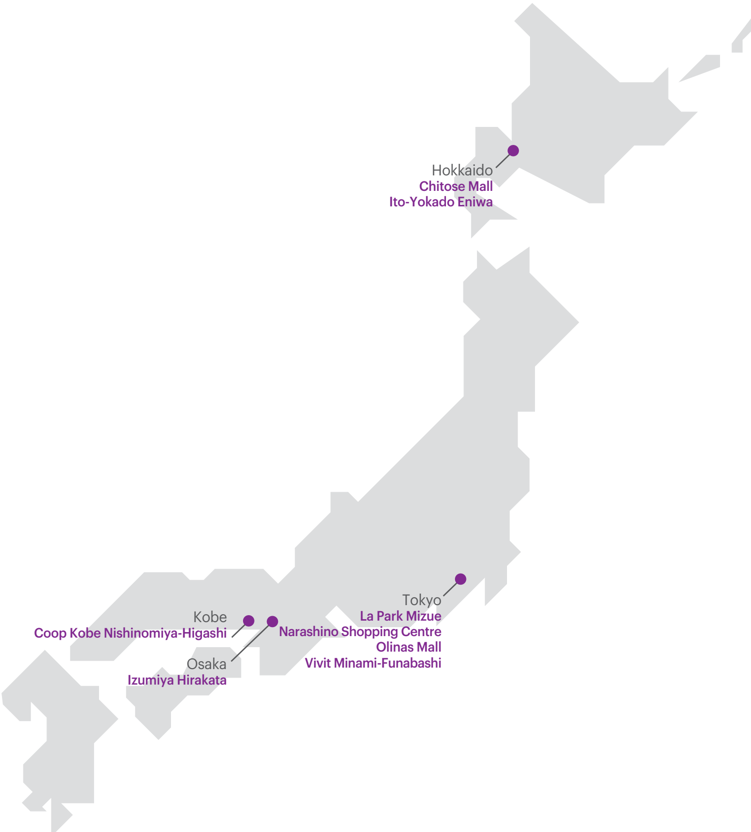
Despite the uncertainty weighing on the global economic recovery, Malaysia achieved 4.5% growth in 2013, buoyed by strong domestic demand underpinned by robust investment spending and consumption demand. The macroeconomic environment augured well for retail sales, which grew in tandem by 4.9% in 2013. In 2014, Malaysia's economy is expected to achieve 5.0% to 5.5% growth and retail sales are projected to grow another 6.0%. Resilient domestic demand has been the anchor of Malaysia's growth and should continue so going forward. 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 90.

1 Including the car park GFA for East Coast Mall, the aggregate GFA for six retail properties is 5.9 million sq ft.

2 Excludes the under development Melawati Mall.

Japan



Olinas Mall, Tokyo

Total Number of Shopping Malls

8

Total GFA (sq ft)

2.4m

Total Operational NLA (sq ft)

1.9m

Total Property Value (100% basis)

S$0.7b

NPI Yield

5.8%

Occupancy Rate

96.9%

We have eight CapitaMalls in Japan, with an aggregate GFA of 2.4 million sq ft and NLA of 1.9 million sq ft.

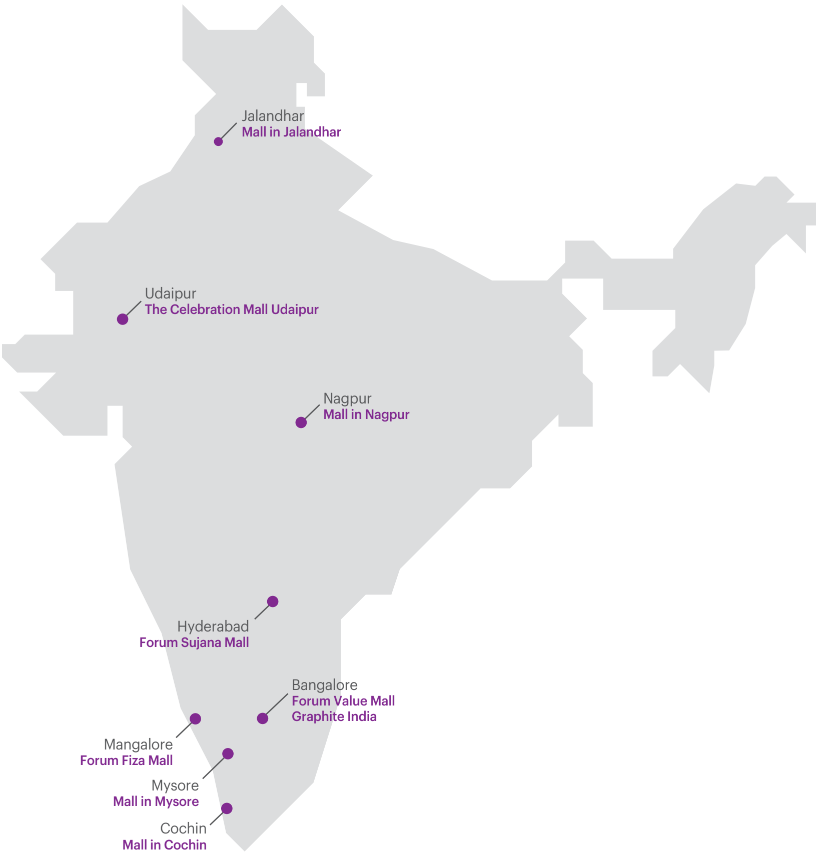
Since the acquisition of Olinas Mall in 2012, we have actively refreshed its tenant mix by introducing new tenants including trendy fashion, a home electronics store, and a new food zone, which is scheduled to open in 2014.

In 2013, we strengthened our business in Japan and continued to develop our relationship with Japanese retailers. Japan continues to be an important source of quality retailers for CMA to enhance our retail offerings and shopping experience in all the markets that we operate in. Some of the successful Japanese retailers that we have brought to China and Singapore include J!NS, GLOBAL WORK, earth, music & ecology, Rope' Picnic, Zoff and create restaurants group.

The Bank of Japan (BOJ) has projected a 1.4% overall GDP growth in 2014, down from the 2.7% registered in 2013. A slow start to the fiscal year can be expected due to softening demand as a result of the sales tax hike, estimated to be raised from 5% to 8% in April 2014. However, monetary easing and tax cuts for businesses to be implemented in the second half of the year can be expected to drive fixed investments in business and accelerate growth in the export sector. Japan remains positive on the whole.

CMA remains focused to improve the performance of our malls in Japan and to work closely with retailers in Japan to bring them to the other countries that we operate in.

India



The Celebration Mall Udaipur, Udaipur

Total Number of Shopping Malls
(including 7 under development)

9

Total GFA
(sq ft)

6.6m

Total Operational NLA[1]
(sq ft)

0.6m

Total Property Value
(100% basis)

S$0.4b

NPI Yield

4.7%

Occupancy Rate[2]

86.8%

We have nine malls in India, of which two are operational and the other seven under development, with an aggregate GFA of 6.6 million sq ft and operational NLA of 0.6 million sq ft. The two operational malls are Forum Value Mall in Bangalore and The Celebration Mall Udaipur in Udaipur. CMA's investment in India is through a 45.45% stake in the S$880 million CapitaMalls India Development Fund (CMIDF).

With the current volatility witnessed in the India economy primarily arising from the US Federal Reserve contemplating tapering its large scale asset purchase programme, combined with the upcoming general elections in India in 2014, uncertainties are expected. However, CMA will continue to expand its operational presence in India, with two malls targeted to open in 2014. In the long term, CMA is well positioned to benefit from the expanding population and young demographic in India, as well as expected growth in the retail market, especially on account of the new policy permitting up to 51% foreign direct investment (FDI) in multi-brand retail and up to 100% FDI in single brand retail. Our focus in 2014 will be to complete the construction of our remaining projects under development, especially those in Hyderabad and Mangalore which are targeted to open in 2014.

India's GDP grew at a CAGR of 7.9% from 2003 to 2013. However, amidst mounting deficits and structural imbalances, growth has slowed to 4.8% in 3Q 2013. According to the Reserve Bank of India (RBI), the country's GDP is expected to grow by 5% during FY 2013-14, lower than the RBI's earlier projection of 5.5%. This slow growth is expected due to a change in the recent policy stance of the RBI towards controlling inflation as well as the depreciation of the Indian rupee. Going forward, the outcome of the general elections in 2014, coupled with effective implementation of recent structural reforms undertaken, hold the key to the revival of the Indian economy towards stronger growth.

For more details of our properties, please refer to portfolio details on page 90.

1 Excludes serviced residence component of Forum Value Mall.

2 Excluding service apartment components of Forum Value Mall and Phase 2 of The Celebration Mall Udaipur, Udaipur.

Financial Review
& Capital Management

We have a uniquely integrated shopping mall business model with end to end capabilities, from the sourcing of land and investment opportunities to the development and management of malls as well as the efficient management of capital. Our principal business strategy is to invest in, develop and manage on a long term basis a diversified portfolio of shopping malls in Asia, where the growth potential is. Specifically, we aim to maintain an investment portfolio comprising predominantly income-producing assets located in Singapore, China, Malaysia and Japan, to provide income stability. In addition, we will continue to focus on achieving scalability and growth, through project delivery, execution and investments in key gateway cities in China.

2013 marked the fourth 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, with healthy increases in net property income and tenants' sales, supported by strong shopper traffic. The net property income of our China and Singapore malls on a same mall basis increased by 13.1% and 4.5% respectively compared to 2012. The better operating performances from the malls resulted in higher cash flows and capital values for the Group's property portfolios in Singapore and China. With these positive attributes, the Group achieved a profit after tax and non-controlling interests ("PATMI") of S$600.0 million for FY 2013.

CMA continued to expand our portfolio in 2013, with acquisitions in China and Singapore totaling more than S$2.2 billion. During the year, CMA transferred our stakes in CapitaMall 1818 in Wuhan; CapitaMall Xinduxin in Qingdao; and our integrated development in the Luwan district of Shanghai, into CapitaMalls China Development Fund III. In addition, CapitaMall Meilicheng and Phase 2 of CapitaMall Jinniu – which is 1.5 times the size of Phase 1 – opened in Chengdu in April 2013 and September 2013 respectively. Under CRCT, asset enhancement works at CapitaMall Minzhongleyuan in Wuhan, commenced in 2Q 2013.

CMA continued to strategically expand our footprint in China and strengthen our presence in the regions and cities that we are already in. In January 2013, CMA acquired a prime site for a shopping mall located at Gutian in Wuhan. In November 2013, CMA entered into a conditional agreement to acquire the retail component of Baiyun Greenland Centre, an integrated development located at the junction of Yuncheng West Road and Qixin Road within the core commercial centre of Baiyun New Town in Baiyun District, Guangzhou. This marked CMA's strategic entry into a first-tier city in South China. In December 2013, CMA, through CRCT, acquired an operating mall, CapitaMall Grand Canyon, located in Fengtai District in Beijing's fast-growing south region.

In Singapore, Bedok Mall and Westgate opened in December 2013. CMA also commenced profit recognition from the sale of units in Bedok Residences. CMA entered into a joint venture trust agreement with Changi Airport Group to jointly develop an iconic mixed-use development, offering aviation and travel-related facilities, a wide range of retail offerings, as well as unique leisure attractions, at Singapore Changi Airport.

Under CMT, the first phase of asset enhancement works at Bugis Junction and IMM Building were completed in 2013, and are expected to boost its rental income in 2014. Phase 2 of asset enhancement works at Bugis Junction will commence in 1Q 2014, and target to complete in 3Q 2014.

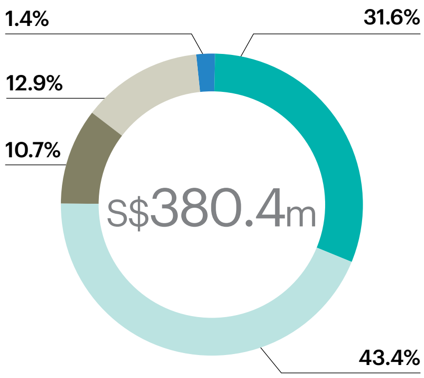
In Malaysia and Japan, the operating malls continued to deliver positive contributions with higher net property income on the back of tenants' sales growth. Specifically in Malaysia, construction commenced on CMA's first development project with Sime Darby Property to jointly develop a new shopping mall in Taman Melawati, north east of Kuala Lumpur, Malaysia.

The Group actively managed its funding needs while maintaining prudence in capital management. As at 31 December 2013, CMA recorded a cash position of S$1,004.3 million and a net debt to equity ratio of 21.8%. CMA has the funding flexibility as well as balance sheet capacity to continue to grow our business confidently and capitalize on potential acquisition opportunities.

The Group's FY 2013 PATMI was S$600.0 million, a 9.9% increase compared to FY 2012 PATMI of S$546.0 million. This was largely contributed by higher revaluation gain for properties in China and Singapore; commencement of profit recognition from the sale of units in Bedok Residences, better performance from CMT, full year contribution from The Star Vista and the four malls in Japan, as well as higher contributions from the China funds. These were partially offset by lower portfolio gains, share of revaluation losses from properties in CapitaMalls Japan Fund ("CMJF")

2013 REVENUE BY GEOGRAPHICAL LOCATION

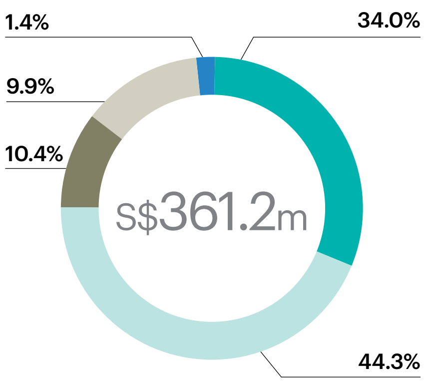
(S$ million)



Singapore	120.0
China	165.2
Malaysia	40.6
Japan	49.2
India	5.4

2012 REVENUE BY GEOGRAPHICAL LOCATION

(S$ million)



Singapore	123.1
China	160.0
Malaysia	37.6
Japan	35.6
India	4.9

and CapitaMalls India Development Fund ("CMIDF"), as well as lower contribution from management fee business in China.

REVENUE

The Group's revenue of S$380.4 million for FY 2013 was mainly contributed by the Management Fee Business of S$224.8 million and the Investment Business of S$154.1 million. This was in comparison to the S$361.2 million for FY 2012, where Management Fee Business contributed S$250.0 million and Investment Business contributed S$109.6 million.

Revenue from Investment Business was 40.6% higher than FY 2012 – largely due to full year contribution from Olinas Mall in Tokyo which was acquired in July 2012, and The Star Vista in Singapore which began operations in September 2012. Revenue from Management Fee Business was 10.1% lower mainly due to lower leasing commission for China, as fewer malls opened in 2013 compared to 2012.

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 core markets.

For Singapore, revenue for FY 2013 was 2.5% lower mainly due to the reclassification of reimbursable staff cost from revenue to cost of sales, partially mitigated by contribution from The Star Vista. If a similar basis of classification was applied to FY 2012, revenue for FY 2012 would have been S$92.8 million and revenue for FY 2013 would have been higher than FY 2012 by 29.3%.

For China, revenue was 3.2% higher mainly attributable to higher fund and property management fees. This was due to the better performances of shopping malls and new malls that opened in 2012 and 2013; and higher project management fees due to additional development works for existing projects and asset enhancement works at existing malls, as well as higher rental revenue from operating malls. However, these were partially offset by lower lease commissions.

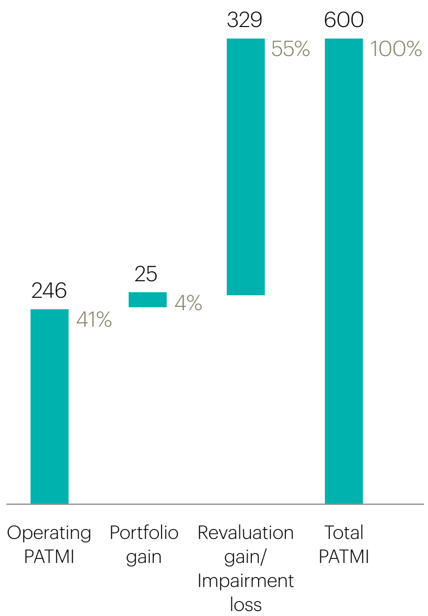
For Malaysia, FY 2013 revenue was 8.0% higher mainly due to higher contribution from Queensbay Mall. Japan registered higher FY 2013 revenue mainly attributable to full year contribution from Olinas Mall and additional stakes in three malls.

PATMI Analysis

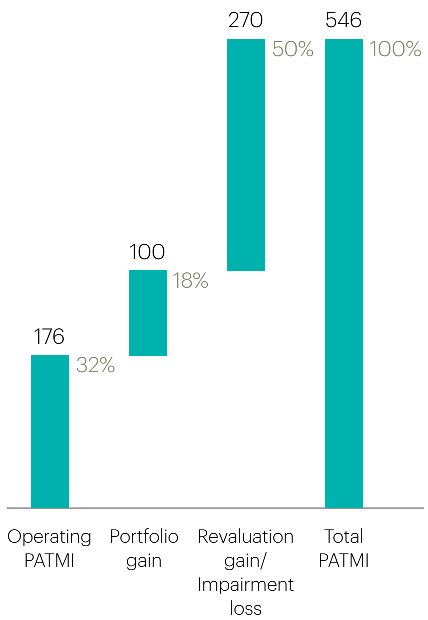
The Group's PATMI for FY 2013 was S$600.0 million. The operating PATMI, excluding revaluation and impairment as well as portfolio gain, was S$246.3 million, which was 40.1% higher than FY 2012's operating PATMI of S$175.7 million.

FY 2013 PATMI was mainly contributed by the Investment Business of S$665.9 million (93.0%) and the Management Fee Business of S$49.9 million (7.0%), partially offset by headquarter cost, treasury finance cost and corporate tax. This was in comparison to FY 2012 PATMI of S$546.0 million, with contributions mainly coming from Investment Business and Management Fee Business of S$595.0 million (89.2%) and S$72.1 million (10.8%) respectively, partially offset by headquarter cost, treasury finance cost and corporate tax.

FY 2013 PATMI
(S$ million)



FY 2012 PATMI
(S$ million)



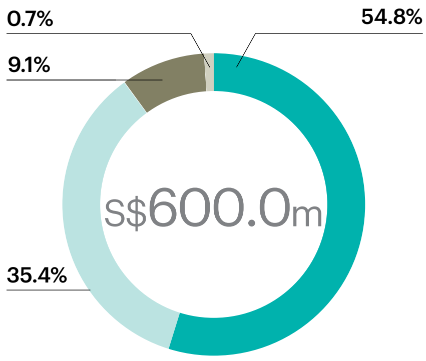
Investment Business' PATMI increased by 11.9% to S$665.9 million contributed mainly by higher revaluation gain for properties in China, and ION Orchard and Bedok Mall in Singapore; commencement of profit recognition from the sale of units in Bedok Residences, higher contribution from CMT arising from three malls which resumed full year contribution after major asset enhancements, higher contributions from the China funds, four malls in Japan, as well as The Star Vista. These were partially offset by lower contribution from management fee business in China.

For Singapore, FY 2013 PATMI at S$405.0 million was higher than that of FY 2012 by 40.1%. This was largely due to higher revaluation gain from ION Orchard and Bedok Mall, commencement of profit recognition for units sold in Bedok Residences, higher contribution from The Star Vista, as well as better performance from CMT. The increase was partially offset by the absence of proportionate share of the gain arising from the disposal of Hougang Plaza by CMT in FY 2012.

For China, PATMI for FY 2013 was 4.6% lower mainly due to lower portfolio gain in relation to the transfer of assets into CMCDF III, partially mitigated by better performance from China funds and CRCT, which was underpinned by NPI growth of 13.1% and higher revaluation gain.

For Malaysia, PATMI for FY 2013 was 4.2% lower mainly attributable to lower revaluation gain recorded by Queensbay Mall and properties held under CMMT, partially mitigated by the better performances of Queensbay Mall and properties held by CMMT.

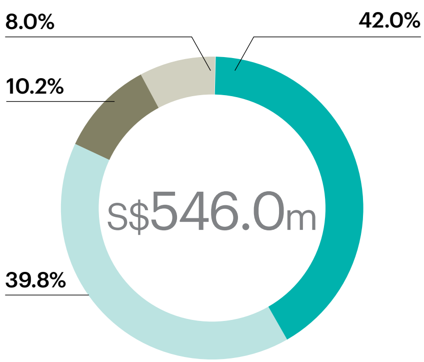
2013 PATMI BY GEOGRAPHICAL LOCATION
(S$ million)



Singapore	405.0
China	261.4
Malaysia	67.1
Japan	5.3

Note: Included headquarter cost, treasury finance cost and corporate tax totaling S$115.7 million as well as Net Loss from India of -S$23.1 million.

2012 PATMI BY GEOGRAPHICAL LOCATION
(S$ million)



Singapore	289.0
China	274.0
Malaysia	70.0
Japan	55.1

Note: Included headquarter cost, treasury finance cost and corporate tax totaling S$121.1 million as well as Net Loss from India of -S$21.0 million.

For Japan, the decrease in PATMI for FY 2013 was mainly due to share of revaluation losses for properties in CMJF in 2013, partially mitigated by higher contributions from the four wholly-owned Japan malls.

For India, the higher negative PATMI for FY 2013 was due to share of higher revaluation losses and operating losses of properties in CMIDF, partially mitigated by share of lower impairment loss.

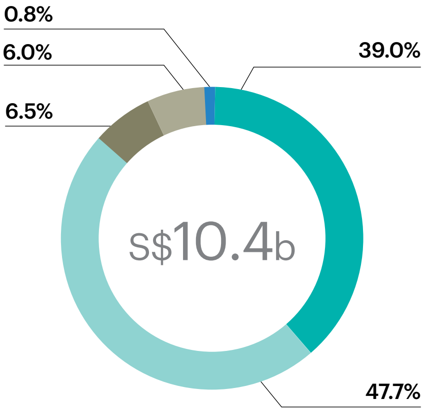
Dividends

Under normal and foreseeable circumstances, the Company's policy is to declare a dividend of at least 20% of the annual PATMI and reinvest the remaining for future growth.

The Board of Directors is pleased to propose a final dividend of 1.75 Singapore cents per share in respect of the financial year ended 31 December 2013. Together with the interim dividend of 1.75 Singapore cents per share, paid on 12 September 2013, this amounts to a total payout of 3.5 Singapore cents per share (which is a 7.7% increase over 2012's payout of 3.25 Singapore cents per share) or approximately S$136.2 million based on the number of issued shares as at 31 December 2013. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

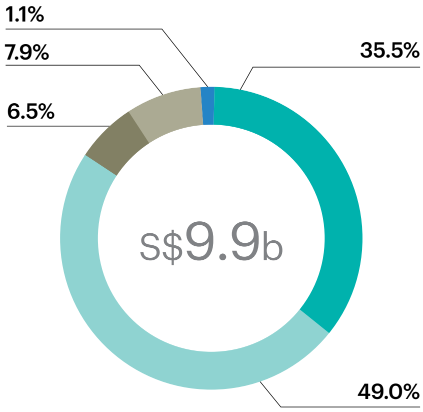
For FY 2012, an interim dividend of 1.625 Singapore cents per share was paid on 13 September 2012 and a final dividend of 1.625 Singapore cents per share was paid on 20 May 2013.

2013 ASSETS BY GEOGRAPHICAL LOCATION
(S$ million)



Singapore	4,038.0
China	4,942.6
Malaysia	670.6
Japan	626.8
India	82.8

2012 ASSETS BY GEOGRAPHICAL LOCATION
(S$ million)



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

Assets

The Group's total assets as at 31 December 2013 stood at S$10.4 billion, of which Singapore and China combined accounted for 86.7% and 84.5% of group's total assets in FY 2013 and FY 2012 respectively. The Group's assets registered an increase of S$0.4 billion, or 4.3%, from S$9.9 billion in FY 2012. The increase was mainly from revaluation gain of investment properties, additional investment in the integrated development in Suzhou, and a mall under development at Gutian in Wuhan as well as deposit placed for acquisition of CapitaMall SKY+ in Guangzhou, China. As at 31 December 2013, certain subsidiaries of the Group pledged assets with aggregate carrying value of S$1.2 billion (2012: S$1.2 billion) to secure credit facilities, or for the issuances of notes and bonds.

As at 31 December 2013, CMA owned and managed 105 malls with a total property value of S$34.3 billion (2012: S$31.7 billion).

Borrowings

As at 31 December 2013, the Group's gross debt stood at S$2,586.0 million and cash balance was S$1,004.3 million. During the year, the Group's gross debt decreased mainly due to net repayment of S$39.7 million and translation difference of Japanese Yen denominated loans of S$96.9 million. The Group's net debt as at 31 December 2013 was S$1,581.7 million, compared to a net debt position of S$2,039.0 million as at 31 December 2012. As of December 2013, the Group's borrowings were 76.7%, 17.4%, 3.0% and 2.9% in Singapore Dollars, Japanese Yen, Malaysian Ringgit and Chinese Renminbi respectively.

Shareholders' Equity

As at 31 December 2013, the issued and paid-up ordinary share capital of the Company comprised 3.9 billion shares at S$4.6 billion. The Group's total reserves increased from S$1.9 billion in December 2012 to S$2.5 billion in December 2013. The increase was mainly attributed to the S$600.0 million net profit for the year and lower exchange loss arising from translation of foreign operations, partially offset by the payment of final dividend and interim dividend for 2012 and 2013 respectively. The shareholders' fund as at end 2013 was S$7.2 billion compared to S$6.5 billion in 2012. With a higher equity, the Group's net tangible assets per share increased by 10.2% to S$1.84 as at 31 December 2013.

Cash and Cash Equivalents

As at 31 December 2013, we had aggregate cash and cash equivalents of S$1,004.3 million compared to S$675.4 million as of 31 December 2012. The increase in cash balance was mainly attributable to partial repayment of loans by jointly-controlled entities and the China funds, as well as sales consideration received for the transfer of an asset to CMCDF III. The Group's cash and cash equivalents denominated in various currencies can be found under [Note 29(b)(ii)] to the Financial Statements.

Cash flow generated from operating activities was S$116.9 million, an increase of S$91.1 million over 2012 mainly due to the settlement of trade receivables from associates.

The investing cash inflow was S$473.8 million. This was mainly from the repayment of loans and dividends received from associates and jointly-controlled entities, as well as net proceeds from the transfer of assets to CMCDF III. The above was partially offset by additions to a mall under development at Gutian in Wuhan, payment of deposits for two newly acquired projects in China; as well as additional investments in associates and jointly-controlled entities, mainly relating to CMCDF III, Raffles City Chongqing and the integrated development in Suzhou.

Net cash flow used in financing activities was S$250.4 million. This was mainly from the net repayment of bank borrowings, payment of dividends to shareholders, and interest expense, partially offset by proceeds from additional bank borrowings.

Gearing Ratio

Gearing ratio is calculated on the basis of net debt to total shareholder's equity. The Group's gearing remains healthy at 21.8% as at 31 December 2013, compared to 30.3% as at 31 December 2012. The lower gearing ratio is mainly due to the repayment of bank loans and an increase in cash and cash equivalents.

CASH FLOW

Group	2013 S$ million	2012 S$ million	Change (%)
Cash from Operating Activities	**116.9**	25.8	353.1
Cash from / (Used in) Investing Activities	**473.8**	(1,566.4)	N.M.
Cash (Used in) / from Financing Activities	**(250.4)**	1,264.7	N.M.
Increase / (Decrease) in Cash and Cash Equivalents	**340.3**	(275.9)	N.M.

N.M.: Not meaningful
All the financial are on net basis

Financial Risk Management

The Group manages its exposure to key financial risks in accordance with the Group's risk management policies and guidelines. These policies have been established to manage key financial risks such as interest rate, foreign exchange, counterparty credit and liquidity. The Group has an established framework that adopts a structured process to monitor these exposures 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 are established to identify and analyse risks faced by the Group. These policies set out the key principles and guidelines for the Group in managing its treasury activities such as setting appropriate limits and controls to monitor risks, and ensuring adherence to limits.

CapitaMalls Asia Treasury Limited generally manages cash and cash equivalents and undertakes the primary responsibility of raising funds for the Group through the bank and/or capital markets, as a centralised funding vehicle. Funds are centrally raised and lent directly to its subsidiaries and other entities under its management control.

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 cash flow, debt maturity profile and overall liquidity position on an ongoing basis. The Group's main sources of operating cash flows are derived from 1) management and consultancy fees, which principally include 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 the monetisation of assets.

Last year, events such as the Federal Reserve's possible tapering of its economic stimulus programme, a narrowly-averted default by the US government and slower growth rate in China created uncertainty and volatility in the global economy. Amidst the uncertainty, the Group was able to recycle capital by reducing its stakes in three China malls under development – CapitaMall 1818 in Wuhan, CapitaMall Xinduxin in Qingdao and the integrated development in the Luwan district in Shanghai – by transferring the stakes to CMCDF III. The Group had also reduced its borrowings through repayment of bank loans as part of its strategy to optimise capital structure. The Group continues to maintain a healthy balance sheet. As at 31 December 2013, the Group had cash reserves of of S$1,004.3 million together with S$725.5 million of unutilised banking facilities.

As a dual-listed company, the Group has access to capital markets for the potential issuance of equity and debt securities. As at 31 December 2013, the Group had a total equity of S$7,268.7 million and a gross debt position of S$2,586.0 million. Of the gross debt position, 47.0% was raised through the capital markets, and the balance of 53.0% from bank borrowings. In FY 2012, 44.9% of total debt was raised through the capital markets and 55.1% from bank borrowings. The Group continues to seek diversified and balanced sources of funding so as to ensure financial flexibility and mitigate concentration risk.

Finance Costs for the Group

Finance costs for the Group were S$74.0 million for the financial year ended 2013, 6.2% higher compared to S$69.7 million for FY 2012.

The increase in finance costs was primarily attributable to the full year impact of interest expense arising from the issuances of medium-term notes in August 2012 and the draw down of new bank loans in 2012 for the funding of new investments, partially offset by repayments.

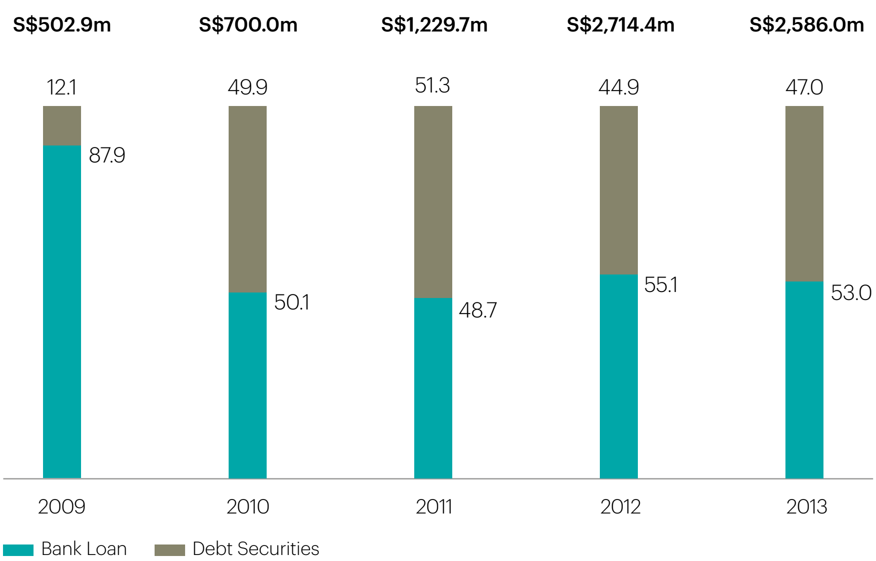
Commitment of Funding

As at 31 December 2013, the Group has available and unutilised credit facilities of S$725.5 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 investment 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.

Maturity Profile

The Group reviews its debt profile closely so as to reduce the refinancing risks and spread out the debt maturity. Its maturity profile was 4.3 years in 2013 compared to 5.0 years in 2012, primarily due to time decay of its existing loans.

SOURCES OF FUNDING (%)

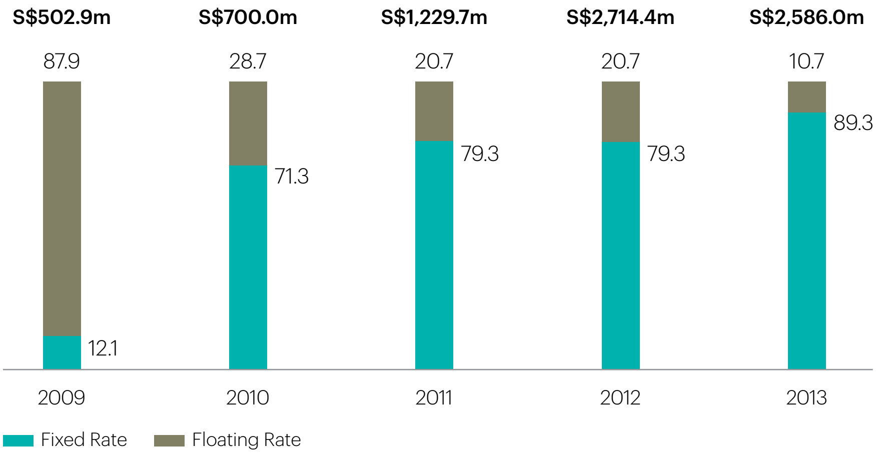


Available Lines by Nationality of Banks as at 31 December 2013
The Group continues to maintain and build an extensive and active relationship with a network of local, regional and international banks. With a diversified network of financial institutions, the Group is able to tap on the different competencies and strengths of the financial institutions.

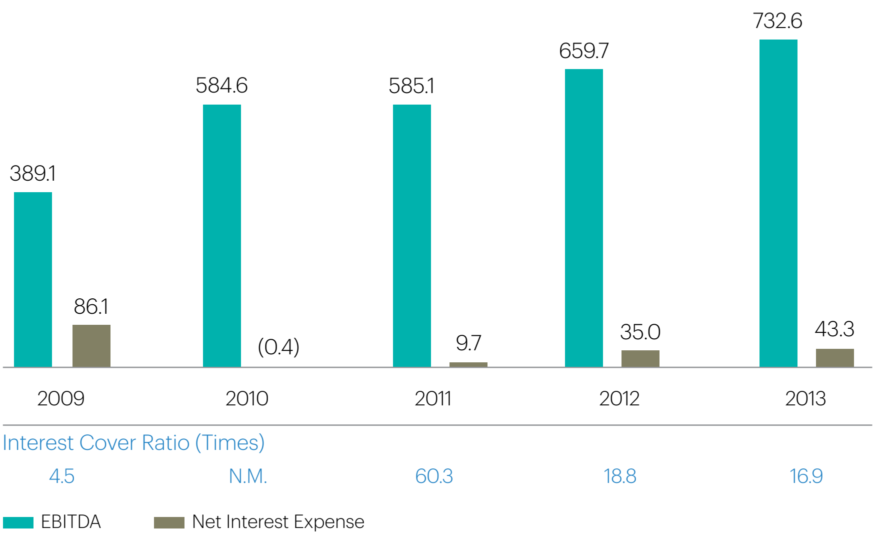
Interest Rate Profile
In managing its interest cost, the Group takes into account the interest rate outlook on various currencies of loans, holding periods of its investment portfolio, expected cash flows and timing of planned monetisations. As at 31 December 2013, the Group's fixed rate borrowings constituted 89.3% of the debt portfolio and the balance 10.7% were on floating rate basis. The higher fixed rate debt 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$43.3 million for FY 2013, compared to net interest expense of S$35.0 million for FY 2012. ICR for FY 2013 was 16.9 times, while ICR for FY 2012 was 18.8 times.

PROFILE OF FIXED & FLOATING RATE LOANS (%)



EBITDA VS NET INTEREST EXPENSE (S$ million)



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

TREASURY HIGHLIGHTS

	2013	2012
Bank Facilities And Available Funds		
Bank facilities available (S$m)	**2,110.8**	2,141.4
Amount utilised for loans (S$m)*	**1,381.4**	1,508.4
Amount utilised for banker's guarantee (S$m)	**3.9**	1.1
Available and unutilised (S$m)	**725.5**	631.9
Unutilised facilities and funds available for use (S$m)	**1,729.8**	1,307.3
Debt Securities Capacity		
Debt securities capacity (S$m)	**2,788.3**	2,799.3
Debt securities issued (S$m)*	**1,217.4**	1,223.0
Unused debt security capacity (S$m)	**1,570.9**	1,576.3
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation (S$m)	**732.6**	659.7
Net interest expenses (S$m)	**43.3**	35.0
Interest cover ratio (times)	**16.9**	18.8
Debt Equity Ratio		
Gross debt (S$m)	**2,586.0**	2,714.4
Cash and fixed deposit balances (S$m)	**1,004.3**	675.4
Net debt (S$m)	**1,581.7**	2,039.0
Total Equity (S$m)	**7,268.7**	6,738.0
Net debt to equity ratio (net of cash and fixed deposit balances) (times)	**0.2**	0.3

* Figure excludes unamortised transaction cost

DEBT MATURITY PROFILE

	S$ million	% of Debt
Maturity Period		
Less than 1 year	157.8	6.1
Between 1 & 2 years	413.2	16.0
Between 2 & 3 years	472.6	18.3
Between 3 & 4 years	491.1	19.0
Between 4 & 5 years	399.2	15.4
After 5 years	652.1	25.2

5-Year Financial Summary

	2013	2012	2011	2010	2009
Income Statement (S$ million)					
Revenue	**380.4**	**361.2**	**246.2**	**245.4**	**228.9**
– Singapore	120.0	123.1	104.1	108.7	84.3
– China	165.2	160.0	104.4	78.7	62.9
– Malaysia	40.6	37.6	28.9	49.5	79.1
– Japan	49.2	35.6	4.4	4.7	2.1
– India	5.4	4.9	4.4	3.8	0.5
Profit Attributable to Owners of the Company	**600.0**	**546.0**	**456.0**	**541.3** [1]	**268.7** [1]
– Singapore	405.0	289.0	320.0	514.7	312.8
– China	261.4	274.0	206.1	64.5	37.4
– Malaysia	67.1	70.0	56.0	41.6	12.5
– Japan	5.3	55.1	(17.8)	(8.6)	(23.1)
– India	(23.1)	(21.0)	(3.9)	(6.3)	(18.0)
– Headquarter cost, treasury finance cost and corporate tax	(115.7)	(121.1)	(104.4)	(64.6)	(52.9)
Operating PATMI	246.3	175.7	121.0	398.9	51.8
Portfolio Gains	25.3	100.6	14.7	12.6	39.4
Revaluation Gains	328.4	269.7	320.3	129.8	177.5
Balance Sheet (S$ million)					
Investment Properties	1,546.6	1,565.8	619.0	304.4	1,378.6
Properties Under Development	146.9	548.1	1,060.1	288.8	127.7
Associates and Jointly-Controlled Entities	6,641.0	6,007.3	4,657.9	4,163.4	3,674.8
Cash and Cash Equivalents	1,004.3	675.4	975.5	1,318.3	544.3
Other Assets	1,022.0	1,134.7	765.5	907.3	651.6
Total Assets	**10,360.8**	**9,931.3**	**8,078.0**	**6,982.2**	**6,377.0**
Loans and Borrowings	2,586.0	2,714.4	1,229.7	700.0	502.9
Other Liabilities	506.1	479.0	371.2	394.0	480.7
Equity Attributable to Owners of the Company	7,163.8	6,490.3	6,227.0	5,828.5	5,340.0
Non-Controlling Interests	104.9	247.6	250.1	59.7	53.4
Total Equities and Liabilities	**10,360.8**	**9,931.3**	**8,078.0**	**6,982.2**	**6,377.0**

	2013	2012	2011	2010	2009
Financial Ratios					
Earnings per share - Basic (cents)	15.4	14.0	11.7	13.9	13.9
Net Tangible Asset per share (S$)	1.84	1.67	1.60	1.50	1.41
Return on Total Assets (%)	6.8	7.0	7.0	8.6	6.7
Return on Equity (%)	8.8	8.6	7.6	9.7	7.8
Debt Equity Ratio (net of cash) (%)	21.8	30.3	3.9	N.M. [2]	N.M. [2]
Interest Cover (times)	16.9	18.8	60.3	N.M. [3]	5.8
Dividend					
Dividend per share (cents)	3.50	3.25	3.00	2.00	1.00
Dividend cover (times)	4.4	4.3	3.9	7.0	6.9

Note:

1 2009 and 2010's 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 Attributable to 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 the Group recorded a net interest income of S$0.4 million.

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	2013 S$ million	2012 S$ million
Net Operating Profit Before Tax		**155.4**	210.1
Adjust for:			
Share of results of associates and jointly-controlled entities		**524.8**	406.5
Interest expense		**74.0**	69.7
Adjusted Profit Before Interest and Tax		**754.2**	686.3
Cash operating taxes	1	**(50.0)**	(37.2)
Net Operating Profit After Tax (NOPAT)		**704.2**	649.1
Average capital employed	2	**8,279.6**	7,720.5
Weighted average cost of capital (%)	3	**5.1**	4.9
Capital Charge (CC)		**422.3**	378.3
Economic Value Added (EVA) [NOPAT – CC]		**281.9**	270.8
Non-Controlling Interests		**(3.3)**	0.7
Group EVA attributable to Equity Holders of the Company		**278.6**	271.5

Note 1 The reported current tax is adjusted for the statutory tax impact of interest expense.

Note 2 Monthly average capital employed included equity, interest-bearing liabilities, timing provision and present value of operating leases.

Major Capital Components	S$ million
Borrowings	2,743.7
Equity	5,535.9
Total	**8,279.6**

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 6.0% (2012: 5.0%) per annum;

ii) Risk-free rate of 1.32% (2012: 1.67%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;

iii) Ungeared beta of 0.62 (2012: 0.65) based on the risk categorisation of the countries that CMA operates in; and

iv) Cost of debt rate at 2.89% (2012: 3.30%) per annum using 5-year Singapore Dollar Swap Offer rate plus 200.0 (2012: 200.0) basis points.

Value Added Statements

	2013 S$ million	2012 S$ million
Value Added From:		
Revenue earned	**380.4**	361.2
Less: Bought in materials and services	**(108.5)**	(95.7)
Gross Value Added	**271.9**	265.5
Share of results of associates and jointly-controlled entities	**524.8**	406.5
Exchange losses (net)	**(1.7)**	(3.8)
Other operating income (net)	**107.1**	179.6
	630.2	582.3
Total Value Added	**902.1**	847.8
Distribution:		
To employees in wages, salaries and benefits	**152.0**	172.0
To government in taxes and levies	**84.1**	73.7
To providers of capital in:		
– Net interest expense	**43.3**	35.0
– Dividends to shareholders	**131.4**	121.5
	410.8	402.2
Balance Retained in the Business:		
Depreciation and amortisation	**9.1**	8.1
Retained profits net of dividends to equity holders of the Company	**468.7**	424.5
Non-Controlling Interests	**14.1**	12.8
	491.9	445.4
Non-Production Costs and Income:		
(Write back of) / Allowance for doubtful receivables (net)	**(0.6)**	0.2
Total Distribution	**902.1**	847.8
Productivity Analysis:		
Value added per employee (S$'000) #	**210.9**	205.8
Value added per dollar of employment cost (S$)	**5.93**	4.93
Value added per dollar sales (S$)	**0.71**	0.74

Based on average 2013 headcount of 4,279 (2012: 4,120).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Delivering Sustainable Returns

With a strengthening portfolio of 105 shopping malls in 53 Asian cities, CMA's recurring income will continue to grow.

Portfolio Details

Singapore

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
Bedok Mall	New Upper Changi Road/ Bedok North Drive	99 years, expiring in Nov 2110	Joint Venture	50.00%	30,478	20,477	709,000
Bedok Residences (Under development)[b, h]	New Upper Changi Road/ Bedok North Drive	99 years, expiring in Nov 2110	Joint Venture	50.00%	63,652	–	–
Bugis Junction	Victoria Street	99 years, expiring in Sep 2089	CapitaMall Trust	27.62%	53,672	36,602	901,000
Bugis+	Victoria Street	60 years, expiring in Sep 2065	CapitaMall Trust	27.62%	29,733	19,920	330,000
Bukit Panjang Plaza	Jelebu Road	99 years, expiring in Nov 2093	CapitaMall Trust	27.62%	21,273	14,150	274,000
Clarke Quay	River Valley Road	99 years, expiring in Jan 2089	CapitaMall Trust	27.62%	34,036	27,045	347,000
Funan DigitaLife Mall	North Bridge Road	99 years, expiring in Dec 2078	CapitaMall Trust	27.62%	44,788	27,741	358,000
IMM Building[a, g]	Jurong East	60 years, expiring in Jan 2049	CapitaMall Trust	27.62%	132,527	88,504	632,000
ION Orchard	Orchard Road	99 years, expiring in Mar 2105	Joint Venture	50.00%	87,727	57,878	3,012,000
ION Orchard Link (Under development to be completed in 2014)	Orchard Road	99 years, expiring in Mar 2105	Joint Venture	50.00%	450	–	29,257
JCube	Jurong East	99 years, expiring in Feb 2090	CapitaMall Trust	27.62%	29,433	19,532	360,000
Junction 8	Bishan	99 years, expiring in Aug 2090	CapitaMall Trust	27.62%	34,902	23,447	636,000

Singapore

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
Lot One Shoppers' Mall	Choa Chu Kang	99 years, expiring in Nov 2092	CapitaMall Trust	27.62%	30,301	20,424	485,000
Plaza Singapura	Orchard Road	Freehold	CapitaMall Trust	27.62%	70,331	44,808	1,168,000
Project Jewel (Under development to be completed in 2018)[c, h]	Changi Airport	–	Joint Venture	49.00%	134,059	–	–
Raffles City Singapore[a, c]	North Bridge Road	99 years, expiring in Jul 2078	CapitaMall Trust	11.05%	320,490	74,501	3,018,000
Rivervale Mall	Rivervale Crescent	99 years, expiring in Dec 2096	CapitaMall Trust	27.62%	10,149	7,540	115,000
Sembawang Shopping Centre	Sembawang Road	999 years, expiring in Mar 2884	CapitaMall Trust	27.62%	18,365	12,536	96,000
The Atrium@Orchard[a]	Orchard Road	99 years, expiring in Aug 2107	CapitaMall Trust	27.62%	53,602	36,173	722,000
The Star Vista	One Vista Exchange Green	60 years, expiring in Oct 2067	Directly Held	100.00%	24,000	15,154	341,000
Tampines Mall	Tampines Central	99 years, expiring in Aug 2091	CapitaMall Trust	27.62%	44,039	30,619	852,000
Westgate	Boon Lay Way	99 years, expiring in Aug 2110	Joint Venture	58.29%	55,178	38,121	1,054,000
Westgate Tower (Under development)[a]	Boon Lay Way	99 years, expiring in Aug 2110	Joint Venture	58.29%	35,592	–	–

Portfolio Details

China

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
CapitaMall 1818 (Under development to be completed in 2015)	Wuchang District, Wuhan	Expiring in Sep 2052	CapitaMalls China Development Fund III	50.00%	70,683	–	59,589
CapitaMall Aidemengdun	Daoli District, Harbin	Expiring in Sep 2042	CapitaMalls China Income Fund III	45.00%	43,851	28,408	88,025
CapitaMall Anzhen	Chaoyang District, Beijing	Expiring in Oct 2034/ Mar 2042/ Jun 2042	CapitaRetail China Trust	25.55%	43,443	43,443	194,270
CapitaMall Beiguan	Beiguan District, Anyang	Expiring in Mar 2046	CapitaMalls China Income Fund	45.00%	36,922	26,084	53,020
CapitaMall Chengnanyuan	Qingyunpu District, Nanchang	Expiring in Feb 2045	CapitaMalls China Income Fund	45.00%	45,607	37,246	56,295
CapitaMall Crystal	Haidian District, Beijing	Commercial: Expiring in Jan 2043 Underground Car Park: Expiring in Jan 2053	CapitaMalls China Income Fund III	45.00%	72,422	38,148	407,373
CapitaMall Cuiwei	Haidian District, Beijing	Commercial: Expiring in May 2046 Underground Car Park: Expiring in May 2056	CapitaMalls China Income Fund	45.00%	56,141	36,188	243,605
CapitaMall Deyang	Jingyang District, Deyang	Expiring in Nov 2045	CapitaMalls China Income Fund	45.00%	41,400	30,816	59,775
CapitaMall Dongguan	Nancheng District, Dongguan	Expiring in Jan 2055	CapitaMalls China Income Fund	45.00%	44,489	32,641	88,230
CapitaMall Erqi	Erqi District, Zhengzhou	Expiring in May 2042	CapitaRetail China Trust	25.55%	92,356	92,356	120,779

China

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
CapitaMall Fucheng	Fucheng District, Mianyang	Expiring in Sep 2044	CapitaMalls China Income Fund	45.00%	46,803	36,389	69,397
CapitaMall Fucheng (Phase 2) (Under development to be completed in 2014)	Fucheng District, Mianyang	Expiring in Jun 2047	CapitaMalls China Income Fund	45.00%	42,111	–	50,154
CapitaMall Grand Canyon	Fengtai District, Beijing	Expiring in Aug 2044	CapitaRetail China Trust	25.55%	96,821	44,273	385,222
CapitaMall Guicheng	Nanhai District, Foshan	Expiring in Aug 2044	Directly held jointly with CapitaMalls China Income Fund	73.05%	49,115	36,799	113,614
Mall at Gutian (Under development with mall to be completed in 2016)[a]	Gutian District, Wuhan	Expiring in July 2053	Directly Held	100.00%	245,000	–	146,934
CapitaMall Hongqi	Hongqi District, Xinxiang	Expiring in Nov 2045	CapitaMalls China Income Fund	45.00%	38,345	26,097	52,201
CapitaMall Jinniu	Jinniu District, Chengdu	Expiring in Oct 2044	CapitaMalls China Income Fund	45.00%	57,884	47,704	124,054
CapitaMall Jinniu (Phase 2)	Jinniu District, Chengdu	Expiring in Oct 2044	CapitaMalls China Income Fund	45.00%	94,085	55,902	220,268
CapitaMall Jinshui	Jinshui District, Zhengzhou	Expiring in Jul 2045	CapitaMalls China Income Fund II	30.00%	55,451	36,484	117,504
CapitaMall Jiulongpo	Jiulongpo District, Chongqing	Expiring in Oct 2042	Directly held jointly with CapitaMalls China Income Fund	73.05%	43,167	39,096	61,208
CapitaMall Kunshan	Yushan Town, Kunshan	Expiring in May 2045	CapitaMalls China Income Fund	45.00%	39,595	27,550	52,406

Portfolio Details

China

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
CapitaMall Maoming	Maonan District, Maoming	Expiring in Nov 2044	Directly held jointly with CapitaMalls China Income Fund	73.05%	37,882	28,371	58,956
CapitaMall Meilicheng	Chenghua District, Chengdu	Expiring in Aug 2044	CapitaMalls China Development Fund III	50.00%	61,182	38,989	152,100
CapitaMall Minzhongleyuan	Jianghan District, Wuhan	Annex Building: Expiring in Sep 2045 Conserved Building: Master lease expiring in Jun 2044	CapitaRetail China Trust	25.55%	38,631	–	103,174
CapitaMall Nan'an	Cuiping District, Yibin	Expiring in May 2045	CapitaMalls China Income Fund	45.00%	37,524	28,099	51,382
CapitaMall Peace Plaza	Shahekou District, Dalian	Expiring in Nov 2035	CapitaMalls China Income Fund II	30.00%	157,576	105,874	432,552
CapitaMall Qibao	Minhang District, Shanghai	Master lease expiring in Jan 2024	CapitaRetail China Trust	25.55%	72,729	50,852	96,623
CapitaMall Quanzhou	Licheng District, Quanzhou	Expiring in Feb 2045	CapitaMalls China Income Fund	45.00%	43,096	30,740	52,406
CapitaMall Rizhao	Donggang District, Rizhao	Expiring in Nov 2043	CapitaMalls China Income Fund II	30.00%	70,898	42,069	111,976
CapitaMall Saihan	Saihan District, Huhhot	Expiring in Mar 2041	CapitaRetail China Trust	25.55%	41,938	30,808	74,105
CapitaMall Shapingba	Shapingba District, Chongqing	Master lease expiring in Dec 2023	CapitaMalls China Income Fund II	30.00%	41,877	27,523	23,510

China

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
CapitaMall Shawan	Jinniu District, Chengdu	Commercial: Expiring in Jan 2046 Underground Car Park: Expiring in Jan 2076	CapitaMalls China Income Fund II	30.00%	38,612	26,817	69,806
CapitaMall Shuangjing	Chaoyang District, Beijing	Expiring in Jul 2042	CapitaRetail China Trust	25.55%	49,463	49,463	111,158
CapitaMall SKY+ (Under development to be completed in 2014)	Baiyun District, Guangzhou	Expiring in Mar 2051	Directly Held	100.00%	85,905	–	44,831
CapitaMall Taiyanggong	Chaoyang District, Beijing	Expiring in Aug 2044	CapitaMalls China Income Fund III	45.00%	83,693	43,462	378,099
CapitaMall Taohualun	Heshan District, Yiyang	Expiring in Jun 2045	CapitaMalls China Income Fund	45.00%	34,895	23,438	45,241
CapitaMall Tianfu (Under development with mall to be completed in 2014)[a, b]	Gaoxin District, Chengdu	Expiring in Feb 2048	CapitaMalls China Development Fund III	50.00%	197,064	–	376,666
CapitaMall Tiangongyuan (Under development to be completed in 2015)	Daxing District, Beijing	Expiring in Jan 2051	Directly Held	100.00%	140,708	–	98,784
CapitaMall TianjinOne	Hexi District, Tianjin	Expiring in Sep 2054	CapitaMalls China Income Fund II	30.00%	59,305	40,379	141,250
CapitaMall Wangjing	Chaoyang District, Beijing	Commercial: Expiring in May 2043 Underground Car Park: Expiring in May 2053	CapitaRetail China Trust	25.55%	68,010	55,585	388,949

China

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
CapitaMall Weifang	Gaoxin District, Weifang	Expiring in Oct 2044	CapitaMalls China Income Fund	45.00%	43,446	37,296	58,752
CapitaMall Wuhu	Jinghu District, Wuhu	Expiring in May 2044	Joint venture between CapitaRetail China Trust and CapitaMalls China Income Fund	35.08%	45,634	37,317	51,382
CapitaMall Wusheng [d]	Qiaokou District, Wuhan	Expiring in Jun 2044	CapitaMalls China Income Fund III	45.00%	112,769	66,051	336,850
CapitaMall Xindicheng [a, d]	Yanta District, Xi'an	Expiring in Dec 2043	CapitaMalls China Income Fund III	45.00%	152,745	36,344	332,347
CapitaMall Xinduxin (Under development to be completed in 2016)	Shibei District, Qingdao	Expiring in Nov 2051/ Sep 2052	CapitaMalls China Development Fund III	50.00%	104,034	–	37,217
CapitaMall Xizhimen	Xicheng District, Beijing	Underground commercial and retail use: Expiring in Aug 2044 Integrated use: Expiring in Aug 2054	CapitaRetail China Trust	25.55%	83,075	51,801	532,246
CapitaMall Xuefu	Nangang District, Harbin	Expiring in Dec 2045	CapitaMalls China Income Fund III	45.00%	95,000	57,911	219,040
CapitaMall Yangzhou	Weiyang District, Yangzhou	Expiring in Jul 2039/ Apr 2045	CapitaMalls China Income Fund	45.00%	52,536	36,745	70,216
CapitaMall Yuhuating	Yuhua District, Changsha	Expiring in Mar 2044	Directly held jointly with CapitaMalls China Income Fund	73.05%	62,080	47,452	101,946
CapitaMall Zhangzhou	Xiangcheng District, Zhangzhou	Expiring in Dec 2043	Directly held jointly with CapitaMalls China Income Fund	73.05%	42,725	31,102	63,051
CapitaMall Zhanjiang	Chikan District, Zhanjiang	Expiring in Dec 2044	CapitaMalls China Income Fund	45.00%	47,266	33,399	70,011
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	Expiring in May 2055	CapitaMalls China Income Fund	45.00%	44,840	32,949	70,011
CapitaMall Zibo	Zhangdian District, Zibo	Expiring in Mar 2045	CapitaMalls China Income Fund	45.00%	41,994	31,332	54,248
Hongkou Plaza [a]	Hongkou District, Shanghai	Expiring in Sep 2057	Joint venture with CapitaMalls China Income Fund	72.50%	205,119	145,056	1,449,347

China

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
Luwan integrated development (Under development with mall to be completed in 2016)[a]	Luwan District, Shanghai	Expiring in Jul 2056	CapitaMalls China Development Fund III	33.00%	131,303	–	602,871
Minhang Plaza[a]	Minhang District, Shanghai	Expiring in Dec 2053	Joint Venture with CapitaMalls China Income Fund II	65.00%	146,843	111,473	726,721
Raffles City Beijing[a, d]	Dongcheng District, Beijing	Retail: Expiring in Apr 2046 Integrated use and car park: Expiring in Apr 2056	Raffles City China Fund	15.00%	110,996	93,052	742,192
Raffles City Changning (Under development with mall to be completed in 2016)[a]	Changning District, Shanghai	Expiring in Nov 2055	Joint Venture	17.10%	268,081	–	984,041
Raffles City Chengdu[a, d, f]	Wuhou District, Chengdu	Expiring in Dec 2046	Raffles City China Fund	15.00%	240,930	115,238	916,691
Raffles City Chongqing (Under development with mall to be completed in 2017)[a, b, c, d]	Yuzhong District, Chongqing	Commercial: Expiring in Aug 2052 Residential: Expiring in Aug 2082	Joint Venture	25.00%	817,000	–	370,783
Raffles City Hangzhou (Under development with mall to be completed in 2015)[a, c, d, e, f]	Qianjiang New City, Hangzhou	Expiring in Mar 2049	Raffles City China Fund	15.00%	300,574	–	629,688
Raffles City Ningbo[a, f]	Jiangbei District, Ningbo	Expiring in Aug 2047	Raffles City China Fund	15.00%	98,780	61,918	423,340
Raffles City Shanghai[a]	Huangpu District, Shanghai	Expiring in Apr 2045	Raffles City China Fund	8.38%	139,593	110,172	1,383,840
Suzhou integrated development (Under development with mall to be completed in 2017)[a]	Suzhou Industrial Park, Suzhou	Commercial: Expiring in Dec 2051 Underground Car Park: Expiring in Dec 2051	Joint Venture	50.00%	343,079	–	433,985

Portfolio Details

Malaysia

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
East Coast Mall	Putra Square, Kuantan	99 years, expiring in Dec 2106	CapitaMalls Malaysia Trust	36.10%	60,758	43,792	144,903
Gurney Plaza	Persiaran Gurney, Penang	Freehold	CapitaMalls Malaysia Trust	36.10%	114,200	80,546	481,715
Melawati Mall (Under development to be completed in 2016)[1]	Bandar Ulu Kelang, Daerah Gombak, Selangor	Freehold	Joint Venture	50.00%	87,793	–	31,179
The Mines	Jalan Dulang, Selangor	99 years, expiring in Mar 2091	CapitaMalls Malaysia Trust	36.10%	116,787	66,601	244,354
Queensbay Mall (approximately 91.8% of aggregate retail floor area and 100% of car park bays)	Bayan Lepas, Penang	Freehold	Held through subsidiaries and an asset-backed securitisation structure	100.00%	86,115	81,969	308,842
Sungei Wang Plaza (approximately 61.9% of aggregate retail floor area and 100% of car park bays)	Jalan Sultan Ismail, Kuala Lumpur	Freehold	CapitaMalls Malaysia Trust	36.10%	47,483	41,658	325,158

Japan

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
Chitose Mall	Chitose-shi, Hokkaido	Freehold	CapitaMalls Japan Fund Pte. Ltd.	26.29%	26,336	14,980	9,718
Coop Kobe Nishinomiya-Higashi	Nishinomiya-shi, Hyogo	Freehold	Directly Held	100.00%	7,970	7,970	37,286
Ito-Yokado Eniwa	Eniwa-shi, Hokkaido	Freehold	CapitaMalls Japan Fund Pte. Ltd.	26.29%	14,843	14,843	21,841
Izumiya Hirakata	Hirakata-shi, Osaka	Freehold	Directly Held	100.00%	20,044	20,044	79,019
La Park Mizue	Mizue, Edogawa-ku, Tokyo	Freehold	Directly Held	100.00%	18,914	18,914	81,350
Narashino Shopping Centre	Funabashi-shi, Chiba	Freehold	CapitaMalls Japan Fund Pte. Ltd.	26.29%	12,783	10,737	32,638
Olinas Mall	Taihei Sumidaku, Tokyo	Freehold	Directly Held	100.00%	54,146	35,400	300,615
Vivit Minami-Funabashi	Funabashi-shi, Chiba	Freehold	CapitaMalls Japan Fund Pte. Ltd.	26.29%	69,444	49,405	128,835

Portfolio Details

India

Name of Project (target completion date)	Location	Tenure	Holding Entity	Effective Stake (%)	GFA (sq m)	Operational NLA (sq m)	Book Value (100% Basis) as at 31 Dec 2013 (S$'000)
The Celebration Mall Udaipur	Bhuwana Phase-II Scheme, National Highway 8, Udaipur	99 years, expiring in May 2103	CapitaMalls India Development Fund	45.45%	36,398	32,727	36,900
Forum Value Mall [d]	Whitefield, Bangalore	Freehold	CapitaMalls India Development Fund	15.91%	46,983	46,983	74,605
Graphite India (Under development to be completed in 2015) [a]	Whitefield, Bangalore	Freehold	CapitaMalls India Development Fund	22.27%	97,732	–	25,432
Forum Sujana Mall (Under development to be completed in 2014)	Kukatpally, Hyderabad	Freehold	CapitaMalls India Development Fund	11.14%	80,387	–	91,747
Mall in Jalandhar (Under development to be completed in 2015)	Paragpur Village, Jalandhar	Freehold	CapitaMalls India Development Fund	29.55%	57,043	–	16,979
Mall in Cochin (Under development to be completed in 2017) [a, c, 2]	Ernakulam District, Cochin	Freehold	CapitaMalls India Development Fund	11.36%	99,406	–	46,880
Forum Fiza Mall (Under development to be completed in 2014)	Pandeshwar Road, Mangalore	Freehold	CapitaMalls India Development Fund	15.14%	63,814	–	64,847
Mall in Mysore (Under development to be completed in 2015)	Abba Road / Hyder Ali Road, Mysore	Freehold	CapitaMalls India Development Fund	22.27%	33,417	–	18,873
Mall in Nagpur (Under development to be completed in 2016) [a, c]	Umrer Road, Nagpur	Freehold	CapitaMalls India Development Fund	29.55%	94,761	–	19,243

Notes on Property Uses:
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
h others

Other Notes:
Property details are updated every six months and can be found on our website at http://www.capitamallsasia.com/en/corporate/investor-relations/property-details.
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 2013.

Generally, GFA includes underground areas but excludes car park and M&E areas.

Valuation & Book Value excludes Development Property For Sale components.

(1) GFA of Melawati Mall is according to estimates.
(2) Mall in Cochin is held through a combination of equity and debentures.

Financial Statements

Directors' Report

Year ended 31 December 2013

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 2013.

DIRECTORS

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

Ng Kee Choe	(appointed on 1 March 2013)
Lim Ming Yan	
Chua Kheng Yeng Jennie	
Lim Tse Ghow Olivier	
Sunil Tissa Amarasuriya	
Tan Sri Amirsham A Aziz	
Dr Loo Choon Yong	
Arfat Pannir Selvam	
Bob Tan Beng Hai	(appointed on 1 March 2013)
Professor Tan Kong Yam	
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 32 to the financial statements.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 31 December 2013 are set out in the Group's income statement on page 118 of the financial statements.

The Directors recommend the payment of a final dividend of S$0.0175 per share which, together with the interim dividend of S$0.0175 per share paid on 12 September 2013 makes a total dividend of S$0.035 per share for the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2013 amounted to approximately $129,662,000.

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.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(continued)*

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		
Ng Kee Choe	130,000	130,000
Lim Ming Yan	96,864	99,774
Chua Kheng Yeng Jennie	178,600	189,979
Lim Tse Ghow Olivier	924,246	946,561
Sunil Tissa Amarasuriya	63,635	82,846
Tan Sri Amirsham A Aziz	6,139	18,700
Dr Loo Choon Yong	820,036	842,794
Arfat Pannir Selvam	89,397	105,800
Professor Tan Kong Yam	38,429	57,640
Lim Beng Chee	328,333	465,666
Contingent award of Performance shares[1] to be delivered after 2015		
Lim Beng Chee (237,000 shares)	–	0 to 414,750[3]
Contingent award of Performance shares[1] to be delivered after 2014		
Lim Beng Chee (237,000 shares)	0 to 414,750[3]	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]	–[¶]
Contingent award of Restricted shares[2] to be delivered after 2013		
Lim Beng Chee (120,000 shares)	–	0 to 180,000[4]
Unvested Restricted shares[2] to be delivered after 2012		
Lim Beng Chee (120,000 shares)	0 to 180,000[4]	120,000[6]
Unvested Restricted shares[2] to be delivered after 2011		
Lim Beng Chee (100,000 shares)	80,667[6]	40,334[5]
Unvested Restricted shares[2] to be delivered after 2010		
Lim Beng Chee	37,000[5]	–

¶ No share was released under the 2010 award

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(continued)*

	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		
Ordinary shares		
Ng Kee Choe	23,860	48,105
Lim Ming Yan	1,200,923	1,301,553
Chua Kheng Yeng Jennie	1,058,113[7]	1,008,325
Lim Tse Ghow Olivier	342,489	432,812
Tan Sri Amirsham A Aziz	–	6,994
Dr Loo Choon Yong	45,000	45,000
Arfat Pannir Selvam	231,014	248,070
Lim Beng Chee	720,703	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
Contingent award of Performance shares[1] to be delivered after 2012		
Lim Ming Yan (152,437 shares)	0 to 304,874[3]	–[¶]
Chua Kheng Yeng Jennie (126,978 shares)	0 to 253,956[3]	–[¶]
Lim Tse Ghow Olivier (152,437 shares)	0 to 304,874[3]	–[¶]
Contingent award of Performance shares[1] to be delivered after 2013		
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		
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]	0 to 252,000[3]
Contingent award of Performance shares[1] to be delivered after 2015		
Lim Ming Yan (359,000 shares)	–	0 to 628,250[3]
Lim Tse Ghow Olivier (144,000 shares)	–	0 to 252,000[3]

¶ No share was released under the 2010 award

DIRECTORS' INTEREST IN SHARES OR DEBENTURES *(continued)*

	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 *(continued)*		
Unvested Restricted shares[2] to be delivered after 2010		
Lim Ming Yan	33,156[5]	–
Chua Kheng Yeng Jennie	28,530[5]	–
Lim Tse Ghow Olivier	33,156[5]	–
Unvested Restricted shares[2] to be delivered after 2011		
Lim Ming Yan	50,396[6]	25,198[5]
Chua Kheng Yeng Jennie	43,364[6]	21,682[5]
Lim Tse Ghow Olivier	50,396[6]	25,198[5]
Unvested Restricted shares[2] to be delivered after 2012		
Lim Ming Yan	0 to 165,000[4]	84,554[6]
Lim Tse Ghow Olivier	0 to 129,000[4]	63,938[6]
Contingent award of Restricted shares[2] to be delivered after 2013		
Lim Ming Yan (197,000 shares)	–	0 to 295,500[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 $235.3 million)		
Lim Ming Yan	$500,000	–
$1.2 billion Convertible Bonds 2.875% due 2016 (Aggregate principal amount of bonds which remains outstanding is $467.0 million)		
Lim Ming Yan	$1,000,000	$1,000,000
Associates		
CapitaMall Trust ("CMT")		
Ng Kee Choe	155,000	155,000
Lim Ming Yan	868,000	868,000
Chua Kheng Yeng Jennie	270,000	270,000
Lim Tse Ghow Olivier	7,582	12,646
Lim Beng Chee	148,259	153,641
CapitaRetail China Trust ("CRCT")		
Lim Ming Yan	163,000	172,780
Chua Kheng Yeng Jennie	50,000	53,000
Lim Tse Ghow Olivier	154,000	163,240
Arfat Pannir Selvam	60,000	60,000
Lim Beng Chee	299,864	337,319

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(continued)*

	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 *(continued)*		
CapitaMalls Malaysia Trust ("CMMT")		
Lim Beng Chee	100,000	100,000

Footnotes:

1 Performance shares are shares under awards pursuant to the Company's or CapitaLand's Performance Share Plans.

2 Restricted shares are shares under awards pursuant to the Company's or CapitaLand's 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 one-third of the award.

6 Being the unvested two-thirds of the award.

7 Chua Kheng Yeng Jennie's shareholdings in CapitaLand Limited had reduced from 1,058,113 to 958,113 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 2014.

DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, the directors' interests in contracts relate to transactions amounting to $618,000 and $1,752,000 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.

In additional, Mr Lim Ming Yan, a director of the Company who was the holder of $500,000 aggregate principal amount of the $1.3 billion convertible bonds 3.125% due 2018 validly tendered his holdings in connection with the invitation to tender for repurchase by CapitaLand Limited. The amount tendered was accepted by CapitaLand Limited at a price of 111.5%. Mr Lim Ming Yan had abstained from the voting and approval of this tender exercise.

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.

DIRECTORS' INTERESTS IN CONTRACTS *(continued)*

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:

Mr Sunil Tissa Amarasuriya, Chairman
Mr Ng Kee Choe
Tan Sri Amirsham A Aziz

(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.

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 the 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 the 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).

The ERCC of the Company has instituted a set of share ownership guidelines for senior management who receives shares under the CapitaMalls Asia Restricted Stock Plan and CapitaMalls Asia Performance Share Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaMalls Asia shares received under the two aforementioned share-based plans, which will vary according to their job grades and base salaries.

SHARE PLANS *(continued)*

(a) Performance Share Plan and Restricted Stock Plan *(continued)*

The principal terms of the Share Plans are:

- **Duration**

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

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

- **Participants of the Share Plans**

  In respect of the 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; 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 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.

SHARE PLANS *(continued)*

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

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 2013		Movements during the year		Balance as at 31 December 2013	
			Granted	Lapsed/ Cancelled		
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2010	18	776,700	–	(776,700)	–	–
2011	26	1,150,700	–	(166,000)	22	984,700
2012	29	1,720,000	–	(314,000)	24	1,406,000
2013	–	–	1,972,000	(314,000)	26	1,658,000
		3,647,400	1,972,000	(1,570,700)		4,048,700

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

During the financial year, the ERCC of the Company 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 RCP, cash bonus is distributed to eligible employee at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

SHARE PLANS *(continued)*

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

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 2013		Movements during the year: Granted	Movements during the year: Released #	Movements during the year: Lapsed/ Cancelled	Balance as at 31 December 2013	
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2010	667	1,232,339	–	(1,216,012)	(16,327)	–	–
2011	847	3,777,308	–	(1,855,670)	(295,510)	737	1,626,128
2012	701	5,924,790	2,910,877	(2,910,861)	(930,524)	572	4,994,282
2013	–	–	7,298,800	–	(882,500)	757	6,416,300
		10,934,437	10,209,677	(5,982,543)	(2,124,861)		13,036,710

The number of shares released during the year was 5,982,543, of which 1,385,285 were cash-settled.

As at 31 December 2013, the number of shares comprised in awards granted under the Company's Restricted Stock Plan are as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award)*	5,308,500	1,107,800	6,416,300
Final number of shares determined but not released	5,380,541	1,239,869	6,620,410
	10,689,041	2,347,669	13,036,710

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

The aggregate number of new shares issued and issuable pursuant to the Share Plans shall not exceed 8% of the issued share capital of the Company.

During the financial year, the aggregate number of new shares issued pursuant to the Share Plans did not exceed 1% of the issued share capital of the Company.

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

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

During the financial year ended 31 December 2013, neither the Company nor its subsidiaries 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 2013.

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, both the percentage of purchases attributable to the Group's five largest suppliers combined and the percentage of annual revenue attributable to the Group's five largest customers combined were less than 30% of the total purchases and revenue of the Group respectively.

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 Bob Tan Beng Hai (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 Corporate Governance Code 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;

AUDIT COMMITTEE *(continued)*

- 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.

The Audit Committee met five times in 2013. The Audit Committee reviewed the assistance given by the Company's officers to the auditors. 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

Ng Kee Choe
Director

Lim Beng Chee
Director

27 February 2014

Statement by Directors

Year ended 31 December 2013

In our opinion:

(a) the financial statements set out on pages 117 to 204 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 2013 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

Ng Kee Choe
Director

Lim Beng Chee
Director

27 February 2014

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 2013, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company and statement 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 117 to 204.

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 2013 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
Chartered Accountants

Singapore
27 February 2014

Statements of Financial Position

As at 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-Current Assets					
Plant and Equipment	3	19,304	17,019	6,659	5,842
Investment Properties	4	1,546,594	1,565,789	–	–
Properties under Development	5	146,934	548,141	–	–
Subsidiaries	6	–	–	3,925,526	3,411,197
Associates	7	4,195,179	3,671,971	–	–
Jointly-Controlled Entities	8	2,445,766	2,335,326	–	–
Other Investments	9	498,469	441,306	–	–
Other Assets	10	202,441	143,384	–	–
		9,054,687	8,722,936	3,932,185	3,417,039
Current Assets					
Trade and Other Receivables	11	301,773	533,047	935,007	1,464,894
Cash and Cash Equivalents	12	1,004,312	675,351	1,256	1,071
		1,306,085	1,208,398	936,263	1,465,965
Total Assets		10,360,772	9,931,334	4,868,448	4,883,004
Equity Attributable to Owners of the Company					
Share Capital	13	4,620,971	4,612,590	4,620,971	4,612,590
Reserves	14	2,542,797	1,877,757	161,623	171,810
		7,163,768	6,490,347	4,782,594	4,784,400
Non-Controlling Interests		104,934	247,614	–	–
Total Equity		7,268,702	6,737,961	4,782,594	4,784,400
Non-Current Liabilities					
Loans and Borrowings	15	2,428,283	2,705,490	–	–
Deferred Tax Liabilities	16	96,524	88,563	178	341
Other Non-Current Liabilities	17	70,416	93,982	6,222	4,372
		2,595,223	2,888,035	6,400	4,713
Current Liabilities					
Trade and Other Payables	18	284,108	240,890	76,928	89,903
Loans and Borrowings	15	157,763	8,922	–	–
Current Tax Payable		54,976	55,526	2,526	3,988
		496,847	305,338	79,454	93,891
Total Liabilities		3,092,070	3,193,373	85,854	98,604
Total Equity and Liabilities		10,360,772	9,931,334	4,868,448	4,883,004
Net Current Assets		809,238	903,060	856,809	1,372,074
Total Assets less Current Liabilities		9,863,925	9,625,996	4,788,994	4,789,113

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

Income Statements

Year ended 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Revenue	20	380,416	361,178	286,889	355,362
Cost of Sales		(140,360)	(140,389)	(766)	(42,769)
Gross Profit		240,056	220,789	286,123	312,593
Other Operating Income	21	139,698	214,677	2,546	2,793
Administrative Expenses		(146,725)	(151,388)	(78,839)	(81,239)
Other Operating Expenses		(3,602)	(4,277)	(83,789)	(62,889)
Finance Costs	22	(74,015)	(69,715)	–	–
Share of Results (net of taxation) of:					
– Associates		294,803	298,047	–	–
– Jointly-Controlled Entities		229,966	108,454	–	–
Profit before Taxation	23	680,181	616,587	126,041	171,258
Taxation	24	(66,054)	(57,739)	(2,170)	(3,378)
Profit for the Year		614,127	558,848	123,871	167,880
Attributable to:					
Owners of the Company		600,008	546,018	123,871	167,880
Non-Controlling Interests		14,119	12,830	–	–
Profit for the Year		614,127	558,848	123,871	167,880
Earnings per share					
Basic Earnings per share (cents)	25	15.4	14.0		
Diluted Earnings per share (cents)	25	15.4	14.0		

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

Statements of Comprehensive Income

Year ended 31 December 2013

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Profit for the Year	614,127	558,848	123,871	167,880
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	78,166	(148,075)	–	–
Realisation of translation differences upon disposal of subsidiaries to profit or loss	(15,587)	(3,167)	–	–
Change in fair value of available-for-sale investments	47,147	21,832	–	–
Effective portion of change in fair value of cash flow hedges	3,610	(8,489)	–	–
Share of other comprehensive income of associates and jointly-controlled entities	93,856	(50,754)	–	–
Total comprehensive income for the year*	821,319	370,195	123,871	167,880
Total comprehensive income attributable to:				
Owners of the Company	792,613	374,019	123,871	167,880
Non-Controlling Interests	28,706	(3,824)	–	–
Total comprehensive income for the year	821,319	370,195	123,871	167,880

* 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 2013

	Share capital	Revenue reserve	Capital reserve	Equity compen-sation reserve	Fair value reserve	Foreign currency translation reserve	Hedging reserve	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 – 2012											
At 1 January	4,607,514	1,624,738	17,070	7,015	82,220	(80,379)	(3,566)	(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	–	546,018	–	–	21,832	(177,977)	(15,854)	–	374,019	(3,824)	370,195
Transactions with owners, recorded directly in equity											
Issue of shares	5,076	–	–	(4,728)	–	–	–	–	348	–	348
Capital contributions from non-controlling interests	–	–	–	–	–	–	–	–	–	1,524	1,524
Share of movement in reserves of associates	–	1,277	(2,827)	–	–	–	–	–	(1,550)	–	(1,550)
Tax-exempt (one-tier) dividends paid to shareholders[1]	–	(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	(120,211)	(3,025)	7,497	–	–	–	–	(110,663)	1,304	(109,359)
Transfer between reserves	–	(99)	99	–	–	–	–	–	–	–	–
At 31 December	4,612,590	2,050,446	14,144	14,512	104,052	(258,356)	(19,420)	(27,621)	6,490,347	247,614	6,737,961

1 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.

	Share capital $'000	Revenue reserve $'000	Capital reserve $'000	Equity compen-sation reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Other reserves $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group – 2013											
At 1 January	4,612,590	2,050,446	14,144	14,512	104,052	(258,356)	(19,420)	(27,621)	6,490,347	247,614	6,737,961
Total comprehensive income for the year											
Profit for the year	–	600,008	–	–	–	–	–	–	600,008	14,119	614,127
Other comprehensive income											
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	–	–	–	63,579	–	–	63,579	14,587	78,166
Realisation of translation differences upon disposal of subsidiaries to profit or loss	–	–	–	–	–	(15,587)	–	–	(15,587)	–	(15,587)
Change in fair value of available-for-sale investments	–	–	–	–	47,147	–	–	–	47,147	–	47,147
Effective portion of change in fair value of cash flow hedges	–	–	–	–	–	–	3,610	–	3,610	–	3,610
Share of other comprehensive income of associates and jointly-controlled entities	–	–	–	–	58	85,899	7,899	–	93,856	–	93,856
Total other comprehensive income	–	–	–	–	47,205	133,891	11,509	–	192,605	14,587	207,192
Total comprehensive income for the year	–	600,008	–	–	47,205	133,891	11,509	–	792,613	28,706	821,319
Transactions with owners, recorded directly in equity											
Issue of shares	8,381	–	–	(8,045)	–	–	–	–	336	–	336
Share of movement in reserves of associates	–	250	(800)	–	–	–	–	–	(550)	–	(550)
Tax-exempt (one-tier) dividends paid to shareholders[2]	–	(131,369)	–	–	–	–	–	–	(131,369)	–	(131,369)
Tax-exempt (one-tier) dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(119)	(119)
Changes in ownership interests in subsidiaries with a change in control	–	–	–	–	–	–	–	–	–	(171,436)	(171,436)
Share-based payments	–	–	–	12,391	–	–	–	–	12,391	169	12,560
Total contributions by and distributions to owners	8,381	(131,119)	(800)	4,346	–	–	–	–	(119,192)	(171,386)	(290,578)
Transfer between reserves	–	(210)	210	–	–	–	–	–	–	–	–
At 31 December	4,620,971	2,519,125	13,554	18,858	151,257	(124,465)	(7,911)	(27,621)	7,163,768	104,934	7,268,702

2 Dividends were declared and paid for the financial year 2012 of $0.01625 per share (final) and for the financial year 2013 of $0.0175 per share (interim).

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

Statements of Changes in Equity

Year ended 31 December 2013

	Share capital $'000	Revenue reserve $'000	Capital reserve $'000	Equity compensation reserve $'000	Total equity $'000
Company – 2012					
At 1 January	4,607,514	90,768	22,405	6,117	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[1]	–	(121,488)	–	–	(121,488)
Share-based payments	–	–	(125)	10,480	10,355
Total transactions with owners	5,076	(121,488)	(125)	6,253	(110,284)
At 31 December	4,612,590	137,160	22,280	12,370	4,784,400
Company – 2013					
At 1 January	4,612,590	137,160	22,280	12,370	4,784,400
Total comprehensive income for the year					
Profit for the year	–	123,871	–	–	123,871
Transactions with owners, recorded directly in equity					
Issue of shares	8,381	–	–	(6,956)	1,425
Tax-exempt (one-tier) dividends paid[2]	–	(131,369)	–	–	(131,369)
Share-based payments	–	–	–	4,267	4,267
Total transactions with owners	8,381	(131,369)	–	(2,689)	(125,677)
At 31 December	4,620,971	129,662	22,280	9,681	4,782,594

1 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).

2 Dividends were declared and paid for the financial year 2012 of $0.01625 per share (final) and for financial year 2013 of $0.0175 per share (interim).

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

Consolidated
Statements of Cash Flows
Year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Cash Flows from Operating Activities			
Profit after taxation		614,127	558,848
Adjustments for:			
Depreciation of plant and equipment		9,079	8,110
Loss on disposal/write-off of plant and equipment		113	192
Net fair value gain of investment properties and properties under development		(61,923)	(84,830)
Interest expense		74,015	69,715
Interest income		(30,721)	(34,685)
Share of results of associates and jointly-controlled entities, net of taxation		(524,769)	(406,501)
Gain on disposal of subsidiaries		(37,316)	(80,900)
Loss/(Gain) on dilution of associates		923	(11,942)
Taxation		66,054	57,739
Share-based payment expenses		13,187	14,504
Management fees received in units		(12,978)	(12,659)
Payment of directors' fees by way of units in associates		196	242
		109,987	77,833
Changes in working capital:			
Trade and other receivables		27,651	(64,815)
Trade and other payables		15,994	32,895
Cash generated from Operations		153,632	45,913
Income tax paid		(36,736)	(20,133)
Net Cash Flows Generated from Operating Activities		116,896	25,780
Cash Flows from Investing Activities			
Interest income received		33,651	3,936
Dividends received from associates and jointly-controlled entities		281,186	224,231
Proceeds from disposal of plant and equipment		11	58
Repayment/(Proceeds) of loans and advance to associates and jointly-controlled entities		396,762	(910,012)
Proceeds from dilution of associate		3,103	–
Acquisition of subsidiaries, net of cash acquired	26 (a)	–	(68,256)
Disposal of subsidiaries, net of cash disposed of	26 (b)	223,144	165,272
Investment in associates and jointly-controlled entities		(191,460)	(370,283)
Investment in available-for-sale investments		(3,956)	(6,376)
Advances to investee companies		(720)	(630)
Additions to investment properties and properties under development		(130,284)	(470,159)
Deposits and prepayments to acquire properties under development		(126,373)	(124,794)
Purchase of plant and equipment		(11,239)	(9,441)
Net Cash Flows Generated from/(Used in) Investing Activities		473,825	(1,566,454)

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

	Note	2013 $'000	2012 $'000
Cash Flows from Financing Activities			
(Repayment)/Advances of loans from non-controlling interests		(6,102)	8,734
Proceeds from bank borrowings, net of transaction costs		241,365	1,247,159
Proceeds from issue of debt securities, net of transaction costs		–	658,043
Repayment of bank borrowings		(281,024)	(400,465)
Repayment of debt securities		–	(75,000)
Dividends paid		(131,369)	(121,488)
Dividends paid to non-controlling interests		(119)	(220)
Interest expense paid		(73,129)	(53,556)
Capital contributions from non-controlling interests		–	1,524
Net Cash Flows (Used in)/Generated from Financing Activities		(250,378)	1,264,731
Net increase/(decrease) in cash and cash equivalents		340,343	(275,943)
Cash and cash equivalents at beginning of the year		675,351	975,479
Effect of exchange rate changes on cash balances held in foreign currencies		(11,382)	(24,185)
Cash and cash equivalents at 31 December	12	1,004,312	675,351

Significant non-cash transactions

There were the following significant non-cash transactions:

(i) During 2013, a subsidiary received 2,669,258 units in CapitaRetail China Trust ("CRCT"), amounting to a fair value of $4.1 million as payment of Manager's fees for the period from 1 October 2012 to 30 September 2013. In addition, two subsidiaries (including the above subsidiary) also received 5,028,082 units in CRCT amounting to a fair value of $7.3 million as payment of distribution for the period from 1 January 2013 to 30 June 2013.

(ii) During 2013, a subsidiary received 2,736,018 units in CapitaMall Trust ("CMT"), amounting to a fair value of $5.6 million as payment of Manager's fees for the period from 1 October 2012 to 30 September 2013.

(iii) During 2013, a subsidiary received 4,781,700 units in CapitaMalls Malaysia Trust ("CMMT"), amounting to a fair value of $3.3 million as payment of Manager's fees for the period from 1 July 2012 to 30 June 2013.

(iv) During 2012, a subsidiary received 3,079,738 units in 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.

(v) During 2012, a subsidiary received 3,003,919 units in 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.

(vi) During 2012, a subsidiary received 5,386,100 units in 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.

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 2014.

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 32 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.

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:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

(d) Use of estimates and judgements *(continued)*

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 – Determination of fair value of investment properties

Note 5 – Determination of fair value of properties under development

Note 11 – Recoverability of loans and receivables

Note 19 – Measurement of share-based payments

Note 29 – Determination of fair value of financial instruments

(e) Changes in accounting policies

(i) Defined benefit plans and short-term or other long-term employee benefits definition

FRS 19 *Employee Benefits* (2011), which became effective as of 1 January 2013, amended the classification of short-term and long-term employee benefits to be based on the expected timing of settlement rather than the employee's entitlement to the benefits. The amendments also require the employee benefits to be measured at the present value of the amount payable.

The Group currently has a bonus plan based on Economic Value Added ("EVA") that is being awarded to its key executives. During the financial year, the accrued EVA bonus is credited into the bonus account and one-third of the balance in the bonus account will be paid out annually. The bonus payable was previously measured on an undiscounted basis, the Group is now required to measure the bonus payable at the present value of the amount payable.

These amendments were applied retrospectively but there was no significant impact on the financial position or performance of the Group arising from the adoption of the amendments.

(ii) Fair value measurement

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

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosure necessary as a result of the adoption of this standard has been included in Note 30.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

(e) Changes in accounting policies *(continued)*

(iii) Presentation of items of other comprehensive income

From 1 January 2013, as a result of the amendments to FRS 1 *Presentation of Financial Statements*, the Group has modified the presentation of items of other comprehensive income in the statement of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly. The adoption of the amendments to FRS 1 has no impact on the recognised assets, liabilities and comprehensive income 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 Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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** *(continued)*

2.2 **Significant accounting policies** *(continued)*

(a) **Basis of consolidation** *(continued)*

(i) ***Business combinations*** *(continued)*

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in 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, unless another measurement basis is required by FRS. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured 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.

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

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. 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) ***Associates and jointly-controlled entities***

Associates are those entities in which the Group has significant influence, but not control nor joint 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(iii) Associates and jointly-controlled entities *(continued)*

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.

(iv) Acquisitions 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 interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(v) 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.

(vi) 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.

(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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(b) Foreign currencies *(continued)*

(i) Foreign currency transactions *(continued)*

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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 Note 2.2(b)(iii)), 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 goodwill and 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. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or jointly-controlled entity that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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 *(continued)*

2.2 Significant accounting policies *(continued)*

(b) Foreign currencies *(continued)*

(iii) Hedge of a net investment in foreign operation

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

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

(c) Plant and equipment

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

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset 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 for use. Depreciation is recognised on a straight-line basis over the 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(d) Investment properties and properties under development *(continued)*

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(k). The fair value is determined based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every three years.

When an investment property or property under development is disposed, 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. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. 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.

2 **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(i) Non-derivative financial assets *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the 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.

(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 expire.

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 its 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, trade and other payables and the following items in non-current liabilities – security deposits, amounts owing to non-controlling interests 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(iii) Derivative financial instruments and hedging activities *(continued)*

On initial designation of the derivative as a 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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(iii) Derivative financial instruments and hedging activities *(continued)*

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 separated embedded derivatives are recognised immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in 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 the profit or loss.

Financial guarantees classified as insurance contracts

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

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(v) Impairment of financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate or jointly-controlled entity, 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 occurred 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 available-for-sale equity security is recognised in other comprehensive income.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(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 equity-accounted investee is tested for impairment as a single asset when there is objective evidence that the investment in an equity-accounted investee may be impaired.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(g) 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.

(h) Employee benefits

Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

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. If employee benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(i) 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.

(j) 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)).

(k) 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.

Fee income

Fee income is recognised in profit or loss as and when services are rendered.

Dividends

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

Interest income

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

(l) Finance costs

Borrowing costs are recognised in profit or loss using the effective interest method in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(m) 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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Significant accounting policies *(continued)*

(m) Taxation *(continued)*

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.

(n) 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.

(o) Segment reporting

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

(p) 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

	Improvement to premises $'000	Plant, machinery and other improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Group					
Cost					
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
At 1 January 2013	7,476	146	120	40,430	48,172
Additions	1,291	–	–	9,948	11,239
Disposals/write-offs	(96)	–	–	(766)	(862)
Disposal of subsidaries	–	–	–	(34)	(34)
Translation differences on consolidation	237	(2)	7	623	865
At 31 December 2013	8,908	144	127	50,201	59,380
Accumulated depreciation					
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
At 1 January 2013	4,492	75	103	26,483	31,153
Depreciation charge for the year	1,466	17	2	7,594	9,079
Disposals/write-offs	(53)	–	–	(685)	(738)
Disposal of subsidiaries	–	–	–	(8)	(8)
Translation differences on consolidation	132	(4)	6	456	590
At 31 December 2013	6,037	88	111	33,840	40,076
Carrying amounts					
At 1 January 2012	3,092	15	31	13,058	16,196
At 31 December 2012	2,984	71	17	13,947	17,019
At 31 December 2013	2,871	56	16	16,361	19,304

3 PLANT AND EQUIPMENT *(continued)*

	Furniture, fittings and equipment $'000
Company	
Cost	
At 1 January 2012	16,894
Additions	2,948
Disposals	(139)
At 31 December 2012	19,703
At 1 January 2013	19,703
Additions	3,584
Disposals	(75)
At 31 December 2013	23,212
Accumulated depreciation	
At 1 January 2012	11,539
Depreciation charge for the year	2,457
Disposals	(135)
At 31 December 2012	13,861
At 1 January 2013	13,861
Depreciation charge for the year	2,760
Disposals	(68)
At 31 December 2013	16,553
Carrying amounts	
At 1 January 2012	5,355
At 31 December 2012	5,842
At 31 December 2013	6,659

4 INVESTMENT PROPERTIES

		Group	
	Note	2013 $'000	2012 $'000
At 1 January		1,565,789	618,988
Additions		12,148	368,747
Acquisitions of subsidiaries		–	217,404
Reclassification from properties under development	5	–	338,231
Changes in fair value		60,927	82,146
Translation differences on consolidation		(92,270)	(59,727)
At 31 December		1,546,594	1,565,789

4 INVESTMENT PROPERTIES *(continued)*

(a) Investment properties are stated at fair value based on valuations performed by independent external valuers. All of the properties were independently valued during the year.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions 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 2013	31 December 2012
PPC International Sdn Bhd	31 December 2013	31 December 2012
CBRE Pte. Ltd.	31 December 2013	31 December 2012
DTZ Debenham Tie Leung	31 December 2013	31 December 2012
Tanizawa Sogo Appraisal Co., Ltd.	31 December 2013	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 six years.

(c) Contingent rents, representing income based on certain sales achieved by tenants, recognised in profit or loss during the year amounted to $6.9 million (2012: $5.7 million).

(d) At 31 December 2013, certain investment properties with carrying value totalling approximately $1,203.7 million (2012: $1,186.1 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 2013 $'000	Group 2012 $'000
At 1 January		548,141	1,060,102
Additions		148,312	96,454
Disposal of subsidiaries	26(b)	(577,344)	(249,446)
Reclassification to investment properties	4	–	(338,231)
Changes in fair value		996	2,684
Translation differences on consolidation		26,829	(23,422)
At 31 December		146,934	548,141

Properties under development are stated at fair value (see also Note 4(a)) based on valuations performed by independent professional valuer, CBRE Pte. Ltd., on 31 December 2013 and 2012. The valuer has considered valuation techniques including the residual land method, in arriving at the market value as at 31 December 2013 and 2012.

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.

During the financial year ended 31 December 2013, interest capitalised in properties under development amounted to approximately $2.9 million (2012: $Nil) (Note 22).

6 SUBSIDIARIES

	Note	Company 2013 $'000	Company 2012 $'000
Unquoted equity shares, at cost		178,663	177,574
Loans receivables:			
– Interest-free	(a)	3,783,186	3,206,899
– Interest-bearing	(b)	232,371	232,371
Impairment of loans receivables	(c)	(268,694)	(205,647)
		3,925,526	3,411,197

(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 0.22% (2012: 0.30%) per annum at the reporting date and are fully repayable in 2015.

6 SUBSIDIARIES *(continued)*

(c) Movements in allowance for impairment of loans receivables were as follows:

	Note	Company 2013 $'000	Company 2012 $'000
At 1 January		205,647	146,241
Allowance during the year	23(b)	63,047	59,406
At 31 December		268,694	205,647

At the reporting date, the Company carried out a review of the recoverable amount of its net investments in subsidiaries and 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.

Key assumptions used for value-in-use calculations

	Company 2013 %	Company 2012 %
Growth rates	1.90 to 5.00	-3.50 to 6.00
Discount rates	5.30 to 17.40	4.80 to 17.40

(d) Details of significant subsidiaries are set out in Note 32.

7 ASSOCIATES

	Group 2013 $'000	Group 2012 $'000
Cost of investments	3,440,874	3,147,198
Share of reserves	754,305	524,773
	4,195,179	3,671,971

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

	Group 2013 $'000	Group 2012 $'000
Statement of financial position		
Total assets	21,240,258	19,377,463
Total liabilities	(8,380,590)	(7,940,319)
Income statement		
Revenue	1,453,015	1,260,705
Profit after taxation	934,670	945,794

7 ASSOCIATES *(continued)*

(b) The Group's share of contingent liabilities of the associates as at 31 December 2013 was $Nil (2012: $1.0 million).

(c) In relation to investments in associates with carrying amount of $2,253.8 million (2012: $2,109.5 million) for which there are published price quotations, the fair value as at 31 December 2013 was $2,378.3 million (2012: $2,739.5 million).

(d) Details of the associates are set out in Note 33.

8 JOINTLY-CONTROLLED ENTITIES

	Group	
	2013	**2012**
	$'000	**$'000**
Cost of investments	572,324	463,205
Share of reserves	858,770	712,012
Loans receivables:		
– Interest-free	583,768	788,215
– Interest-bearing	430,904	371,894
	2,445,766	2,335,326

8 JOINTLY-CONTROLLED ENTITIES *(continued)*

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

	Group 2013 $'000	Group 2012 $'000
Assets and liabilities		
Current assets	709,849	494,999
Non-current assets	3,929,710	3,666,429
Total assets	4,639,559	4,161,428
Current liabilities	(429,840)	(115,573)
Non-current liabilities	(2,778,625)	(2,870,638)
Total liabilities	(3,208,465)	(2,986,211)
Capital commitments in relation to interests in jointly-controlled entities	345,791	530,277
Proportionate interest in jointly-controlled entities' capital commitments	470,093	559,305
Income statement		
Revenue	345,890	176,053
Fair value gain of investment properties and properties under development	141,924	34,316
Expenses	(218,607)	(81,973)
Profit before taxation	269,207	128,396
Taxation	(39,241)	(19,942)
Profit for the year	229,966	108,454

(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, part of the Group's net investments in the jointly-controlled entities, they are stated at cost.

(c) As at 31 December 2013, the interest-bearing loans bear interests ranging from 1.60% to 2.12% (2012: 1.65% to 2.12%) 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 34.

9 OTHER INVESTMENTS

	Group 2013 $'000	Group 2012 $'000
Available-for-sale investments – unquoted equity securities		
At 1 January	441,306	425,622
Additions	3,956	6,376
Net fair value gains included in other comprehensive income	47,147	21,832
Translation differences on consolidation	6,060	(12,524)
At 31 December	498,469	441,306

Avaliable-for-sale investments comprise 15.0% and 17.1% equity interests in Raffles City China Fund and Raffles City Changning respectively. During the year, the Group injected an additional $4.0 million (2012: $6.4 million) into Raffles City China Fund, of which the Group has an equity interest of 15.0%.

10 OTHER ASSETS

	Group 2013 $'000	Group 2012 $'000
Loan receivable	57,402	56,682
Deposits	145,039	86,702
	202,441	143,384

At 31 December 2013 and 2012, 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 2013, deposits of $145.0 million (2012: $86.7 million) were paid to vendors for land and development costs of new acquisitions. Interest capitalised in deposits amounted to approximately $2.1 million (2012: $ Nil) (Note 22).

11 TRADE AND OTHER RECEIVABLES

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Trade receivables	41,042	48,895	–	–
Allowance for doubtful receivables	(133)	(698)	–	–
Net trade receivables	40,909	48,197	–	–
Amount due from holding company (trade)	20	11	–	–
Amounts due from subsidiaries:				
– trade	–	–	39,626	38,555
– non-trade (interest-free)	–	–	705,445	1,050,219
– non-trade (interest-bearing)	–	–	209,821	375,611
Amounts due from related corporations:				
– trade	859	7,330	4	–
– non-trade (interest-free)	65	62	–	–
Amounts due from associates:				
– trade	14,397	34,128	11	7
– non-trade (interest-free)	4,787	5,687	–	–
– loan account (interest-free)	5,351	15,895	–	–
– loan account (interest-bearing)	192,533	372,336	–	–
Amounts due from jointly-controlled entities:				
– trade	17,088	10,909	39	146
– loan account (interest-free)	340	708	–	–
– loan account (interest-bearing)	9,451	9,451	–	–
Deposits	4,598	5,174	121	101
Other receivables	7,443	20,698	1,127	943
	256,932	482,389	956,194	1,465,582
Allowance for doubtful receivables	(289)	(666)	(21,674)	(1,084)
Loans and receivables	297,552	529,920	934,520	1,464,498
Forward exchange contracts	318	–	–	–
Prepayments	3,903	3,127	487	396
	301,773	533,047	935,007	1,464,894

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 range from 7.07% to 7.20% (2012: 7.20%) per annum and 1.80% (2012: 1.80%) per annum respectively.

The effective interest rates at the reporting date of interest-bearing amounts in the Company to its subsidiaries is 0.33% (2012: 0.33%) per annum.

The forward exchange contracts at reporting date relate to contracts entered into to hedge fluctuations in Japanese Yen. See also Note 29(b)(ii).

11 TRADE AND OTHER RECEIVABLES *(continued)*

Other receivables as at 31 December 2012 include distributable income receivable from an associate of $14.8 million which has been received in 2013.

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 fee income.

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

	Gross 2013 $'000	Allowance for doubtful receivables 2013 $'000	Gross 2012 $'000	Allowance for doubtful receivables 2012 $'000
Group				
Singapore	49,629	(133)	48,179	(136)
China	231,302	–	450,703	(48)
Malaysia	5,795	(289)	6,278	(1,180)
Japan	9,826	–	24,697	–
India	1,422	–	1,427	–
	297,974	(422)	531,284	(1,364)
Company				
Singapore	348,272	(20,300)	843,347	–
China	593,348	–	582,499	–
Malaysia	3,495	–	4,321	–
Japan	6,266	(894)	5,549	(523)
India	4,813	(480)	29,866	(561)
	956,194	(21,674)	1,465,582	(1,084)

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

	Gross 2013 $'000	Allowance for doubtful receivables 2013 $'000	Gross 2012 $'000	Allowance for doubtful receivables 2012 $'000
Group				
Not past due	277,335	–	498,846	–
Past due 1 – 30 days	10,549	–	15,203	(40)
Past due 31 – 90 days	2,404	–	8,259	(50)
Past due more than 90 days	7,686	(422)	8,976	(1,274)
	297,974	(422)	531,284	(1,364)

11 TRADE AND OTHER RECEIVABLES *(continued)*

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

	Gross 2013 $'000	Allowance for doubtful receivables 2013 $'000	Gross 2012 $'000	Allowance for doubtful receivables 2012 $'000
Company				
Not past due	929,805	(20,300)	1,452,887	–
Past due 1 – 30 days	15,680	–	5,060	–
Past due 31 – 90 days	2,411	–	5,168	–
Past due more than 90 days	8,298	(1,374)	2,467	(1,084)
	956,194	(21,674)	1,465,582	(1,084)

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

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At 1 January	1,364	1,182	1,084	29
(Write-back)/provision made during the year	(608)	209	20,590	1,059
Write-offs	(314)	(4)	–	(4)
Translation differences on consolidation	(20)	(23)	–	–
At 31 December	422	1,364	21,674	1,084

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Fixed deposits with financial institutions	252,813	64,444	–	–
Cash at banks	751,499	610,907	1,256	1,071
Cash and cash equivalents in the statement of financial position	1,004,312	675,351	1,256	1,071

The effective interest rates relating to cash and cash equivalents at the reporting date for the Group and Company range from 0.02% to 3.15% (2012: 0.02% to 7.50%) per annum and Nil% (2012: Nil%) per annum respectively.

13 SHARE CAPITAL

	Company 2013 No. of shares '000	2012 No. of shares '000
Fully paid ordinary shares, with no par value:		
At 1 January	3,887,730	3,885,082
Issue of shares under Share Plans (Note 19)	4,597	2,423
Issue of shares for partial payment of directors' fees	166	225
At 31 December	3,892,493	3,887,730

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 2013 $'000	2012 $'000
Total debt	2,586,046	2,714,412
Cash and cash equivalents	(1,004,312)	(675,351)
Net debt	1,581,734	2,039,061
Total equity	7,268,702	6,737,961
Net debt to equity	22%	30%

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	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Revenue reserve	2,519,125	2,050,446	129,662	137,160
Capital reserve	13,554	14,144	22,280	22,280
Equity compensation reserve	18,858	14,512	9,681	12,370
Fair value reserve	151,257	104,052	–	–
Foreign currency translation reserve	(124,465)	(258,356)	–	–
Hedging reserve	(7,911)	(19,420)	–	–
Other reserves	(27,621)	(27,621)	–	–
	2,542,797	1,877,757	161,623	171,810

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 reorganisation, 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 2013 $'000	Group 2012 $'000
Non-current liabilities			
Secured bank loans	(i)	333,043	374,663
Unsecured bank loans	(i)	1,005,575	1,111,014
Secured bonds	(ii)	14,517	17,692
Secured notes	(iii)	77,361	79,727
Unsecured notes	(iii)	599,031	598,877
Unsecured retail bonds	(iv)	398,756	523,517
		2,428,283	2,705,490
Current liabilities			
Secured bank loans	(i)	13,757	8,922
Unsecured bank loans	(i)	19,006	–
Unsecured retail bonds	(iv)	125,000	–
		157,763	8,922
Total loans and borrowings		2,586,046	2,714,412

(i) Secured and unsecured bank loans

	Group 2013 $'000	Group 2012 $'000
Repayable:		
Within 1 year	32,763	8,922
From 1 to 2 years	335,856	32,734
From 2 to 5 years	998,873	1,132,889
After 5 years	3,889	320,054
After 1 year	1,338,618	1,485,677
	1,371,381	1,494,599

(ii) Secured bonds

	Group 2013 $'000	Group 2012 $'000
Repayable:		
Within 1 year	–	–
From 2 to 5 years	14,517	–
After 5 years	–	17,692
After 1 year	14,517	17,692
	14,517	17,692

15 LOANS AND BORROWINGS *(continued)*

(ii) Secured bonds *(continued)*

The secured bank loans and bonds are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of $896.8 million (2012: $893.6 million) (Note 4(d)). In respect of certain bank loans and bonds of $286.4 million (2012: $321.4 million) in aggregate, the Group is required to maintain no less than 51.00% direct or indirect shareholding in these borrowing subsidiaries during the subsistence of the borrowings.

At 31 December 2013, the effective interest rates for bank loans and bonds range from 0.38% to 6.55% (2012: 0.66% to 6.55%) and 0.52% to 0.85% (2012: 0.66% to 0.85%) per annum respectively.

(iii) Secured and unsecured notes

	Group	
	2013	**2012**
	$'000	**$'000**
Repayable:		
Within 1 year	–	–
From 1 to 2 years	77,361	79,727
From 2 to 5 years	349,618	349,521
After 5 years	249,413	249,356
After 1 year	676,392	678,604
	676,392	678,604

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 $306.9 million (2012: $292.5 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% (2012: 4.00% and 4.50%) per annum respectively and the notes will legally mature on 1 October 2015.

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 at the reporting date are 3.95% (2012: 3.95%) and 3.70% (2012: 3.70%) 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

	Group	
	2013	**2012**
	$'000	**$'000**
Repayable:		
Within 1 year	125,000	–
From 1 to 2 years	–	124,915
After 5 years	398,756	398,602
After 1 year	398,756	523,517
	523,756	523,517

15 LOANS AND BORROWINGS *(continued)*

(iv) Unsecured retail bonds *(continued)*

CapitaMalls Asia Treasury Limited has, in 2012, issued a 10-year callable step-up retail bond with an aggregate notional amount of $400.0 million bearing interest of 3.8% per annum with maturity date on 12 January 2022.

Subsequent to year end, the $125.0 million three-year retail bonds were redeemed at par on 21 January 2014.

(v) Intra-group financial guarantee

Intra-group financial guarantee comprises guarantees of $2,139.0 million (2012: $2,247.0 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.

(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 $676.5 million (2012: $689.5 million) granted to certain of its jointly-controlled entities. As at 31 December 2013, the proportionate share of aggregated amounts outstanding under the facilities was $663.9 million (2012: $588.7 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 2013, the proportionate share of aggregated amounts outstanding under the facilities is $809.0 million (2012: $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					
2013					
Deferred tax liabilities					
Accelerated tax depreciation	14,734	916	–	1,081	16,731
Fair value changes of investment properties and properties under development	73,829	26,954	(24,944)	3,156	78,995
Tax on unappropriated profits	–	798	–	–	798
Total	88,563	28,668	(24,944)	4,237	96,524

16 DEFERRED TAXATION *(continued)*

	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

	At 1 January 2012 $'000	Recognised in profit or loss (Note 24) $'000	At 31 December 2012 $'000	Recognised in profit or loss (Note 24) $'000	At 31 December 2013 $'000
Company					
Deferred tax liabilities					
Accelerated tax depreciation	450	(109)	341	(163)	178

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

	Group	
	2013 $'000	2012 $'000
Tax losses	92,170	98,842

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. Unrecognised tax losses amounting to $25,547,000 (2012: $19,181,000) will expire within 5 years.

17 OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Security deposits	51,788	61,107	–	–
Amounts owing to non-controlling interests (non-trade)	–	17,463	–	–
Liability for employee benefits	10,492	4,806	6,222	4,372
Other payables	2,522	1,649	–	–
Interest rate swaps	5,614	8,957	–	–
	70,416	93,982	6,222	4,372

The amounts owing to non-controlling interests were related to unsecured and interest-free loans with no fixed terms of repayment; of which $11.6 million pertained to a subsidiary which was disposed of during the year and $5.9 million was repaid during the year.

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Trade payables	10,570	9,475	455	1,238
Accruals	66,682	94,007	6,998	4,596
Advance payments received	6,615	4,951	–	–
Rental and tender deposits	11,750	8,196	–	–
Other payables	44,787	34,113	–	–
Liability for employee benefits	55,640	47,168	13,392	25,820
Amounts due to holding company (trade)	5,787	4,866	5,787	4,866
Amounts due to related corporations (trade)	219	459	98	110
Amounts due to subsidiaries:				
– trade	–	–	–	11
– non-trade (interest-free)	–	–	50,198	53,261
Amounts due to associates:				
– trade	1	177	–	–
– non-trade (interest-free)	2	5,815	–	–
– loan account (interest-free)	20	–	–	–
– loan account (interest-bearing)	5,996	–	–	–
Amounts due to jointly-controlled entities:				
– trade	–	1	–	1
– loan account (interest-free)	92	47	–	–
– loan account (interest-bearing)	75,947	31,615	–	–
	284,108	240,890	76,928	89,903

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

Other payables mainly relate to 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 from associates and jointly-controlled entities is 3.92% (2012: Nil%) per annum and 3.70% (2012: 4.23%) per annum respectively.

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

	Gross 2013 $'000	Gross 2012 $'000
Group		
Not past due	215,015	183,350
Past due 1 to 30 days	6,269	2,224
Past due 31 to 90 days	408	1,312
Past due more than 90 days	161	1,885
	221,853	188,771

* This excludes advanced payments received and liability for employee benefits.

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 Mr Sunil Tissa Amarasuriya, Mr Ng Kee Choe and Tan Sri Amirsham A Aziz.

The ERCC of the Company has instituted a set of share ownership guidelines for senior management who receives shares under the CapitaMalls Asia Restricted Stock Plan and CapitaMalls Asia Performance Share Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaMalls Asia shares received under the two aforementioned share-based plans, which will vary according to their job grades and base salaries.

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:

	2013 ('000)	2012 ('000)
At 1 January	3,647	2,158
Granted	1,972	1,769
Lapsed/cancelled	(1,571)	(280)
At 31 December	4,048	3,647

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	2013	2012
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$1.642	$2.060
Expected volatility based on 36 months closing share prices prior to grant date	25.69%	32.42%
MSCI AC Asia ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	20.59%	27.70%
Share price at grant date	$2.060	$1.645
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.38%	0.30%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.82%	2.27%
Correlation of return between MSCI AC Asia ex-Japan Real Estate Index and the Company's share price measured over 36 months prior to the grant date	67.89%	69.97%

19 EQUITY COMPENSATION BENEFITS *(continued)*

CMA Share Plan *(continued)*

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.

Movements in the number of shares outstanding based on awards granted under the Restricted Stock Plan are summarised below:

	2013 ('000)	2012 ('000)
At 1 January	10,934	7,987
Granted	10,210	7,384
Released*	(5,982)	(3,419)
Lapsed/cancelled	(2,125)	(1,018)
At 31 December	13,037	10,934

* The number of shares released during the year was 5,982,543 (2012: 3,418,735), of which 1,385,285 (2012: 995,898) were cash-settled.

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

	2013			2012		
	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)#	5,308	1,108	6,416	4,932	993	5,925
Final number of shares determined but not released	5,381	1,240	6,621	3,527	1,482	5,009
	10,689	2,348	13,037	8,459	2,475	10,934

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

19 EQUITY COMPENSATION BENEFITS *(continued)*

CMA Share Plan *(continued)*

Restricted Stock Plan – Equity-settled/Cash-settled *(continued)*

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 non-executive directors.

With effect from 2012, the cash-settled award plan for non-managerial 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.

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	2013	2012
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$1.997	$1.580 to $1.920
Expected volatility based on 36 months closing share prices prior to grant date	25.69%	32.42%
Share price at grant date	$2.060	$1.645
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	0.18% to 0.38%	0.15% to 0.30%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.82%	2.27%

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.

19 EQUITY COMPENSATION BENEFITS *(continued)*

CapitaLand Share Plans *(continued)*

The CapitaLand's Executive Resource and Compensation Committee ("CL ERCC") has instituted a set of share ownership guidelines for senior management who received shares under the CapitaLand Restricted Stock Plan and CapitaLand Performance Share Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaLand shares received under the two above mentioned share-based plans, which will vary according to their job grades and base salaries.

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 CL ERCC in its absolute discretion; or

- A discount not exceeding 20% of the Market Price in respect of that option.

(ii) The options vest between one year to four years from the grant date.

(iii) The options granted expire after five or 10 years from the dates of the grant.

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

	Weighted average exercise price 2013 $	No. of options 2013 ('000)	Weighted average exercise price 2012 $	No. of options 2012 ('000)
At 1 January	2.93	2,040	2.76	2,312
Lapsed/cancelled	3.73	(31)	3.15	(51)
Exercised	1.90	(149)	1.08	(221)
At 31 December	3.00	1,860	2.93	2,040
Exercisable on 31 December	3.00	1,860	2.93	2,040

Options exercised in 2013 resulted in 149,456 (2012: 221,473) shares being issued at a weighted average market price of $3.54 (2012: $3.06) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $3.36 (2012: $2.95).

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 the Enhanced Trinomial (Hull and White) valuation model.

19 EQUITY COMPENSATION BENEFITS *(continued)*

CapitaLand Share Plans *(continued)*

Share Option Plan *(continued)*

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

Range of Exercise Price Post- Modification	Options outstanding 2013 ('000)	Weighted average contractual life (years)	Options outstanding 2012 ('000)	Weighted average contractual life (years)
$0.30 to $0.44	–	–	3	0.44
$0.45 to $0.50	10	0.16	74	1.16
$0.51 to $1.43	15	0.65	15	1.65
$1.44 to $2.16	261	1.19	271	2.19
$2.17 to $4.10	1,574	2.19	1,677	3.19
	1,860		2,040	

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	2013 ('000)	2012 ('000)
At 1 January	–	592
Lapsed/cancelled	–	(592)
At 31 December	–	–

19 EQUITY COMPENSATION BENEFITS *(continued)*

CapitaLand Share Plans *(continued)*

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.

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	2013 ('000)	2012 ('000)
At 1 January	–	766
Lapsed/cancelled	–	(33)
Released*	–	(733)
At 31 December	–	–

* The number of shares released during the year was nil (2012: 733,108), of which nil (2012: 197,286) were cash-settled.

20 REVENUE

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

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Rental and related income	154,123	109,648	–	–
Fee income	224,764	249,951	68,808	104,707
Dividend income from subsidiaries	–	–	218,081	250,655
Others	1,529	1,579	–	–
	380,416	361,178	286,889	355,362

21 OTHER OPERATING INCOME

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Interest income:				
– fixed deposits	6,911	3,746	–	–
– subsidiaries	–	–	2,117	2,112
– associates	16,275	22,861	–	–
– jointly-controlled entities	7,474	7,928	–	30
– others	61	150	–	–
Foreign exchange gain	–	–	–	102
Net fair value gain on investment properties	60,927	82,146	–	–
Fair value gain on properties under development	996	2,684	–	–
Gain on disposal of subsidiaries	37,316	80,900	–	–
Gain on dilution of associates	–	11,942	–	–
Others*	9,738	2,320	429	549
	139,698	214,677	2,546	2,793

* Includes gain on warehousing of assets of $7,094,000 (2012: $Nil)

22 FINANCE COSTS

	Note	Group 2013 $'000	Group 2012 $'000
Interest paid and payable to:			
– bank loans		20,864	18,824
– bonds		19,331	21,755
– notes		26,332	20,322
– associates		138	–
– jointly-controlled entities		2,317	811
– others		4,851	3,289
		73,833	65,001
Amortisation of transaction costs		4,421	3,641
Bank charges		781	1,073
Total borrowing costs		79,035	69,715
Less:			
Borrowing costs capitalised in properties under development and other assets	5 & 10	(5,020)	–
		74,015	69,715

23 PROFIT BEFORE TAXATION

Profit before taxation includes the following:

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
(a) Staff costs				
Wages and salaries	139,265	125,816	24,659	65,017
Contributions to defined contribution plans*	16,198	14,169	2,080	5,741
Share-based payments				
– equity-settled	12,560	12,036	4,267	10,355
– cash-settled	627	2,468	338	101
Increase/(write-back) in liability for short-term accumulating compensated absences	867	586	(1,146)	357

* The Group is required by laws and regulations to make contributions to various defined contribution schemes, which are mainly the Central Provident Fund ("CPF") for employees in Singapore, the Employees' Provident Fund ("EPF") for employees in Malaysia and India, the Social Security & Housing Fund ("SSHF") for employees in the People's Republic of China ("PRC") and the Pension scheme ("Pension") in Japan.

The range of contribution rates (% of employees' monthly salaries) for the funds are as follows:

	Group	
	2013 %	2012 %
CPF (Singapore)	6.50 to 16.00	6.50 to 16.00
SSHF (PRC)	26.75 to 45.00	26.75 to 45.00
EPF (Malaysia)	12.00 to 13.00	12.00 to 13.00
Pension (Japan)	8.56	8.38
EPF (India)	12.00	12.00

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
(b) Other expenses				
Operating expenses arising from investment properties	49,065	36,658	–	–
Operating lease expense	9,189	8,832	3,257	2,946
Depreciation of plant and equipment	9,079	8,110	2,760	2,457
Allowance for impairment losses on loans to subsidiaries (net)	–	–	63,047	59,406
(Write-back)/allowance for doubtful loans and receivables (net)	(608)	209	20,590	1,059
Loss on dilution of associate	923	–	–	–
Loss on disposal/write-offs of plant and equipment	113	192	–	–
Foreign exchange loss	1,725	3,837	37	–
Auditors' remuneration:				
– auditors of the Company	391	373	180	167
– other auditors	319	329	–	–
Non-audit fees* paid to:				
– auditors of the Company	95	109	60	86

* Non-audit fees included professional fees for tax, advisory and other services.

23 PROFIT BEFORE TAXATION (continued)

	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					
2013					
Executive directors					
Lim Beng Chee	–	–	2,025[3, 4]	629[4]	2,654
Non-executive directors					
Ng Kee Choe[5]	104	44	–	–	148
Liew Mun Leong[6]	91	–	–	–	91
Lim Ming Yan	413	–	–	–	413
Chua Kheng Yeng Jennie	74	–	–	–	74
Lim Tse Ghow Olivier	160	–	–	–	160
Independent non-executive directors					
Sunil Tissa Amarasuriya	99	43	–	–	142
Tan Sri Amirsham A Aziz	69	29	–	–	98
Dr Loo Choon Yong	115	49	–	–	164
Arfat Pannir Selvam	87	37	–	–	124
Bob Tan Beng Hai[5]	95	41	–	–	136
Professor Tan Kong Yam	104	44	–	–	148
Yap Chee Keong[6]	50	–	–	–	50
	1,461	287	2,025	629	4,402
2012					
Executive directors					
Lim Beng Chee	–	26	2,178[3, 4]	678[4]	2,882
Non-executive directors					
Liew Mun Leong	367	124	–	–	491
Lim Ming Yan[7]	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

23 PROFIT BEFORE TAXATION *(continued)*

[1] Included in the cash component of the directors' fee is an amount of $251,055 (2012: $229,200) paid/payable by subsidiaries. The fees paid/payable to CapitaLand Limited, the employer of Lim Ming Yan and Lim Tse Ghow Olivier, amounted to $251,055 (2012: Nil) and Nil (2012: $46,800) respectively. In 2012, an amount of $182,400 was paid/payable to CapitaLand Limited, relating to Liew Mun Leong's directors' fee.

[2] With effect from 2013, non-executive directors who are management appointees of CapitaLand Limited will not receive directors' fees which are to be settled by way of equity. Full compensation will be paid to CapitaLand Limited in cash. In 2012, included in the equity component of the directors' fee was $84,133 paid by subsidiaries in the form of units in CapitaMall Trust and CapitaRetail China Trust upon approval by the shareholders of the relevant subsidiaries holding the said units. These equity components were granted to Liew Mun Leong, Lim Tse Ghow Olivier and Lim Beng Chee and amounted to $45,600, $11,700 and $26,833 respectively.

[3] Including contributions to defined contribution plan of $13,600 (2012: $13,600) in respect of Mr Lim's remuneration as Chief Executive Officer. No contributions to defined contribution plans were made in respect of directorships.

[4] Including long term employment benefits of $1,222,000 (2012: $1,414,000) in respect of Mr Lim's remuneration as Chief Executive Officer.

[5] Appointed on 1 March 2013

[6] Resigned on 24 April 2013

[7] Appointed on 25 October 2012

(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	
	2013 $'000	2012 $'000
Salaries, bonus and allowances[1]	4,269	4,649
Contributions to defined contribution plans	43	46
Share-based payments[1]	1,724	1,761
	6,036	6,456

[1] Included long term employment benefits of $2,401,000 (2012: $2,367,000).

An analysis of their remuneration by number of employee and remuneration range is set out below:

	Group	
	2013 Number of employees	2012 Number of employees
$1,250,000 to $1,499,999	2	2
$1,500,000 to $1,749,999	1	1
$1,750,000 to $1,999,999	1	1
$2,000,000 to $2,249,999	–	–
$2,250,000 to $2,499,999	–	–
$2,500,000 to $2,749,999	1	–
$2,750,000 to $2,999,999	–	1

24 TAXATION

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Current tax				
– Current year	33,692	27,481	2,486	438
– Under/(Over) provision in respect of prior years	3,694	(2,121)	(153)	3,049
	37,386	25,360	2,333	3,487
Deferred tax				
– Origination and reversal of temporary differences	33,491	32,379	(163)	(109)
– Over provision in respect of prior years	(4,823)	–	–	–
	28,668	32,379	(163)	(109)
	66,054	57,739	2,170	3,378
Reconciliation of effective tax rate				
Profit before taxation	680,181	616,587	126,041	171,258
Less: Share of results of associates and jointly-controlled entities	(524,769)	(406,501)	–	–
Profit before share of results of associates and jointly-controlled entities and taxation	155,412	210,086	126,041	171,258
Income tax using Singapore tax rate of 17% (2012: 17%)	26,420	35,715	21,427	29,114
Tax exempt income	(17,216)	(11,720)	(35,951)	(41,253)
Non-deductible expenses	17,364	14,238	15,340	12,615
Effect of different tax rates in foreign jurisdictions	15,822	2,925	–	–
Effect of taxable distributions from associates	13,651	16,434	–	–
Withholding tax	3,649	809	1,718	75
Utilisation of previously unrecognised tax losses	(779)	(5,400)	–	–
Deferred tax assets not recognised	5,593	4,853	–	–
Tax losses not available for carry-forward	1,041	2,796	–	–
(Over)/Under provision in respect of prior years	(1,129)	(2,121)	(153)	3,049
Others	1,638	(790)	(211)	(222)
	66,054	57,739	2,170	3,378

25 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is based on:

	Group 2013 $'000	2012 $'000
Profit attributable to owners of the Company	600,008	546,018

	Number of shares 2013 ('000)	Number of shares 2012 ('000)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	3,887,245	3,885,082
Effect of shares issued during the year	4,434	2,163
Weighted average number of shares at 31 December	3,891,679	3,887,245

(b) Diluted earnings per share

In calculating diluted earnings per share the net profit attributable to owners of the Company and weighted average number of ordinary shares in issue during the year are adjusted for the effects of all dilutive potential ordinary shares:

	Group 2013 $'000	2012 $'000
Profit attributable to owners of the Company	600,008	546,018

	Number of shares 2013 ('000)	Number of shares 2012 ('000)
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic)	3,891,679	3,887,245
Weighted average number of unissued ordinary shares from:		
– Shares under Performance Share Plan	6,616	6,108
– Shares under Restricted Stock Plan	11,380	9,066
	17,996	15,174
Weighted average number of ordinary shares (diluted) at 31 December	3,909,675	3,902,419

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 the key markets that the Group operates in.

There was no acquisition of any subsidiary in 2013.

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

The total purchase consideration for the above mentioned subsidiaries amounted to $111.9 million. From the date of acquisitions to 31 December 2012, the above-mentioned acquisitions contributed net profit of $45.4 million to the Group's results for that year, before accounting for financing costs attributable to the acquisitions. If the acquisitions had occurred on 1 January 2012, management had estimated that it would not have any significant impact on the net profit for the year ended 31 December 2012.

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired are provided below:

	Recognised values on acquisition 2012 $'000
Group	
Plant and equipment	36
Investment properties	217,404
Current assets	44,098
Current liabilities	(3,381)
Bank borrowings (current)	(123,113)
Non-current liabilities – security deposits	(23,149)
Net assets acquired/Purchase consideration	111,895
Less:	
Cash of subsidiaries acquired	(43,639)
Cash outflow on acquisition of subsidiaries	68,256

26 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS *(continued)*

(b) Disposal of subsidiaries

The list of subsidiaries disposed in 2013 is as follows:

	Date disposed	Equity interest disposed %
Crystal II Pte. Ltd.	April 2013	100.0
Radiant I Pte. Ltd.	April 2013	100.0
Abbey Road Limited	July 2013	68.8
Sky Vision (Hong Kong) Limited	July 2013	68.8
Shanghai Yongwei Real Estate	July 2013	66.0

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 2013. The disposed subsidiaries previously contributed an aggregated net loss of $0.2 million from 1 January 2013 to the dates of disposal.

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 an aggregated net loss of $0.3 million from 1 January 2012 to the date of disposal.

Effects of disposals

The cash flow and the net assets of subsidiaries disposed are provided below:

	2013 $'000	2012 $'000
Group		
Plant and equipment	26	–
Properties under development	577,344	249,446
Deposits and prepayments for properties under development	30,402	79,087
Development properties for sale	–	23,387
Other current assets	3,629	32,218
Current liabilities	(5,262)	(24,587)
Loans and borrowings	–	(28,490)
Deferred tax liabilities	(24,944)	(24,684)
Other non-current liabilities	(12,000)	–
Net assets	569,195	306,377
Less: Non-controlling interests	(171,436)	–
Less: Equity interests retained as associates	(192,781)	(192,592)
Less: Realisation of foreign currency translation reserve	(15,587)	(3,167)
Net assets disposed	189,391	110,618
Gain on disposal of subsidiaries*	37,316	80,900
Sales consideration	226,707	191,518
Cash of subsidiaries disposed	(3,563)	(26,246)
Cash inflow on disposal of subsidiaries	223,144	165,272

* Including realisation of foreign currency translation reserve of $15,587,000 (2012: $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	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Lease payments payable:				
– within 1 year	9,279	8,923	3,846	3,281
– after 1 year but within 5 years	24,351	17,707	21,505	16,096
– after 5 years	23,140	35,277	23,140	35,277
	56,770	61,907	48,491	54,654

(ii) Operating lease rental receivable

Future minimum lease rental receivable on non-cancellable operating leases from investment properties are as follows:

	Group	
	2013 $'000	2012 $'000
Lease rentals receivable:		
– within 1 year	92,779	92,661
– after 1 year but within 5 years	121,152	168,446
– after 5 years	36,943	40,835
	250,874	301,942

(b) Other commitments

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	4,426	846	506	273
– development expenditure contracted but not provided for in the financial statements	11,573	31,857	–	–
– purchase of land/investment properties contracted but not provided for in the financial statements	498,842	372,942	–	–
– capital contribution/acquisition of associates, jointly-controlled entities and investee companies	460,161	819,419	–	–
– shareholders' loan committed to jointly-controlled entities	216,390	300,838	–	–

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	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Salaries, bonus and other benefits	7,614	9,924	5,340	5,923
Contributions to defined contribution plans	84	117	48	52
Share-based payments	2,722	3,318	2,027	1,896
	10,420	13,359	7,415	7,871

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	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Holding company				
Management fee expense	(20,697)	(17,737)	(20,697)	(17,737)
IT and administrative support services	(7,428)	(6,381)	(7,428)	(6,381)
Subsidiaries				
Management fee income	–	–	67,273	103,128
Related corporations				
Property and fund management fee income	10,790	8,611	–	–
Marketing income and others	294	7,106	–	–
Project management fee income	113	322	–	–
Administrative support services fee	(1,048)	(1,132)	(1,048)	(1,132)
Rental expenses	(1,040)	(846)	–	–
Associates and jointly-controlled entities				
Property and fund management fee income	134,736	154,941	1,535	1,579
Accounting and IT services fee, acquisition fee, divestment fee, marketing income and others	45,940	22,831	–	–
Project management fee income	22,475	37,552	–	–
Rental expenses	(81)	(197)	–	–
Key management personnel				
Professional fees paid/payable to companies in which a director is a member	618	496	225	486
Interest payable by a subsidiary	–	43	–	–

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 that 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 a certain level of protection against rate hikes. Generally, the interest rate exposure is managed through the use of interest rate swaps and/or fixed rate borrowings.

At 31 December 2013, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $887.8 million (2012: $682.5 million) which pays fixed interest rates ranging from 0.16% to 1.33% (2012: 0.48% to 1.28%) 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 2013 is a liability of $5.6 million (2012: $9.0 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	
	2013 $'000	2012 $'000
Fixed rate instruments		
Loans and borrowings	2,308,600	2,151,480
Variable rate instruments		
Loans and borrowings	277,446	562,932

29 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Market risk *(continued)*

(i) Interest rate risk *(continued)*

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate loans and borrowings at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments

For variable rate loans and borrowings, it is estimated that an increase of 100 basis points ("bp") in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and accumulated profits) by approximately $2.8 million (2012: $5.6 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.

The Group uses forward exchange contracts to hedge its foreign currency risks, where feasible. It generally enters into forward exchange contracts with maturities ranging between 3 months and 1 year which are rolled over, if necessary, at market rates at maturity. The fair value gain of the forward exchange contracts as at 31 December 2013 was $0.3 million (2012: $Nil).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept at a level acceptable to management.

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 monitored and reviewed on a regular basis.

29 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Market risk *(continued)*

(ii) Foreign currency risk *(continued)*

The Group's and Company's exposure to foreign currencies as at 31 December 2013 and 31 December 2012 are as follows:

	Singapore Dollars $'000	US Dollars $'000	Chinese Renminbi $'000	Malaysian Ringgit $'000	Japanese Yen $'000	Others[1] $'000	Total $'000
Group							
2013							
Other investments	140,178	358,291	–	–	–	–	498,469
Other assets (non-current)	59,468	94,754	48,219	–	–	–	202,441
Trade and other receivables[2]	184,325	5,140	95,926	5,499	10,667	216	301,773
Cash and cash equivalents	474,739	180,929	236,426	24,791	86,851	576	1,004,312
Loans and borrowings	(1,980,178)	–	(74,873)	(77,361)	(453,634)	–	(2,586,046)
Other non-current liabilities[3]	(9,728)	–	(4,814)	(4,568)	(35,200)	–	(54,310)
Trade and other payables[4]	(94,657)	–	(105,967)	(8,980)	(12,005)	(244)	(221,853)
Gross currency exposure	(1,225,853)	639,114	194,917	(60,619)	(403,321)	548	(855,214)
Less/Add:							
– Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,194,399	(373,363)	21,122	110,964	409,173	(529)	1,361,766
Net currency exposure	(31,454)	265,751	216,039	50,345	5,852	19	506,552

1 Others include mainly Indian Rupees and Hong Kong Dollars
2 Includes forward exchange contracts
3 Excludes liability for employee benefits and interest rate swaps
4 Excludes advance payment received and liability for employee benefits

29 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Market risk *(continued)*

(ii) Foreign currency risk *(continued)*

The Group's and Company's exposure to foreign currencies as at 31 December 2013 and 31 December 2012 are as follows: *(continued)*

	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)
Gross currency exposure	(1,089,097)	387,830	49,225	(46,751)	(491,920)	399	(1,190,314)
Less/Add:							
– 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
Net 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 and liability for employee benefits

29 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Market risk *(continued)*

(ii) Foreign currency risk *(continued)*

The Group's and Company's exposure to foreign currencies as at 31 December 2013 and 31 December 2012 are as follows: *(continued)*

	US Dollars $'000	Malaysian Ringgit $'000	Japanese Yen $'000	Others[1] $'000	Total foreign currencies $'000
Company					
2013					
Cash and cash equivalents	4	–	–	17	21
Trade and other payables	–	–	(1)	–	(1)
Currency exposure	4	–	(1)	17	20
2012					
Cash and cash equivalents	4	–	–	16	20
Trade and other payables	–	(1)	(2)	–	(3)
Currency exposure	4	(1)	(2)	16	17

1 Others include mainly Hong Kong Dollars

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) 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 $'000	Company $'000
2013		
Singapore Dollars[1]	1,573	–
US Dollars[2]	(13,288)	–
Chinese Renminbi[3]	(10,802)	–
Malaysian Ringgit[3]	(2,517)	–
Japanese Yen[3]	(293)	–
Others[3]	(1)	(1)
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)

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

29 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Market risk *(continued)*

(ii) Foreign currency risk *(continued)*

Sensitivity analysis *(continued)*

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 that all other variables remain constant.

(iii) Equity price risk

The Group does not have significant exposure to equity price risk as at 31 December 2013.

(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 a 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 2013, the Group has unutilised credit facilities amounting to $725.5 million (2012: $631.9 million). The Group launched a $2.0 billion Euro Medium-Term-Note programme in 2010 and as at reporting date, $0.6 billion (2012: $0.6 billion) of the notes has been issued under this programme. In addition, to tap another funding source, the Group issued $400.0 million unsecured retail bonds in 2012. The Group 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 2013, RM660.0 million (2012: RM660.0 million) has been issued under this programme.

29 FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity and refinancing risk *(continued)*

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

	Carrying amount	Total	Contractual cash flows (including interest payments) Within 1 year	Within 2 to 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
2013					
Secured bank loans	346,800	370,311	19,017	344,331	6,963
Unsecured bank loans	1,024,581	1,083,942	49,452	1,034,490	–
Secured bonds	14,517	15,285	113	15,172	–
Secured notes	77,361	84,237	2,707	81,530	–
Unsecured notes	599,031	730,483	14,983	428,475	287,025
Unsecured retail bonds	523,756	659,865	133,142	63,600	463,123
Other non-current liabilities[1]	54,310	54,310	–	40,740	13,570
Trade and other payables[2]	221,853	221,853	221,853	–	–
Interest rate swaps (non-current)	5,614	14,804	4,990	9,814	–
	2,867,823	3,235,090	446,257	2,018,152	770,681
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 (non-current)	8,957	14,450	3,719	10,731	–
	2,992,359	3,410,628	247,907	1,994,731	1,167,990
Company					
2013					
Trade and other payables[2]	63,536	63,536	63,536	–	–
2012					
Trade and other payables[2]	64,083	64,083	64,083	–	–

1 Excludes liability for employee benefits and interest rate swaps
2 Excludes advance payments received and liability for employee benefits

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 *(continued)*

(e) Offsetting financial assets and financial liabilities

The disclosures set out in the table below include financial assets and financial liabilities that:

- are offset in the Group's statement of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables and other financial liabilities are not disclosed in the tables below unless they are offset in the statement of financial position.

The Group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

29 FINANCIAL RISK MANAGEMENT *(continued)*

(e) Offsetting financial assets and financial liabilities *(continued)*

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement

	Gross amounts of recognised financial assets/(liabilities)	Gross amount of recognised financial assets offset in the statement of financial position	Net amounts of financial assets/(liabilities) presented in the statement of financial position	Related amounts not offset in the statement of financial position	Net amounts
	$'000	$'000	$'000	$'000	$'000
Group					
31 December 2013					
Financial assets					
Forward exchange contracts	318	–	318	–	318
Financial liabilities					
Amounts due to holding company (trade)	(6,099)	312	(5,787)	–	(5,787)
Interest rate swaps	(5,614)	–	(5,614)	–	(5,614)
31 December 2012					
Financial liabilities					
Amounts due to holding company (trade)	(5,064)	198	(4,866)	–	(4,866)
Interest rate swaps	(8,957)	–	(8,957)	–	(8,957)

29 FINANCIAL RISK MANAGEMENT *(continued)*

(e) Offsetting financial assets and financial liabilities *(continued)*

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangement *(continued)*

	Gross amounts of recognised financial assets/(liabilities) $'000	Gross amount of recognised financial assets offset in the statement of financial position $'000	Net amounts of financial assets/(liabilities) presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position $'000	Net amounts $'000
Company					
31 December 2013					
Financial assets					
Amounts due from subsidiaries (trade)	39,642	(16)	39,626	–	39,626
Financial liabilities					
Amounts due to holding company (trade)	(6,099)	312	(5,787)	–	(5,787)
31 December 2012					
Financial assets					
Amounts due from subsidiaries (trade)	38,562	(7)	38,555	–	38,555
Financial liabilities					
Amounts due to holding company (trade)	(5,064)	198	(4,866)	–	(4,866)
Amounts due to subsidiaries (trade)	(22)	11	(11)	–	(11)

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above table are measured in the statement of financial position on the following basis:

- Forward exchange contracts and interest rate swaps – fair value; and
- Amounts due to holding company (trade), amounts due from subsidiaries (trade) and amounts due to subsidiaries (trade) – amortised cost.

The amounts in the above table that are offset in the statement of financial position are measured on the same basis.

30 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determining fair value

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

(i) Investment properties and properties under development

The Group's investment property portfolio is valued by independent external valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, every six months. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value as at the reporting date, the valuers have considered valuation techniques including direct comparison method, capitalisation approach, discounted cash flows and residual method, 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.

Properties under development are valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin on construction and development. The estimated cost to complete is determined based on the construction cost per square metre in the pertinent area.

The valuation and its financial impact on the Group's investment property portfolio are discussed with the Audit Committee and Board of Directors in accordance with the Group's reporting policies.

(ii) Available-for-sale investments

The fair value of these investments is 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 external valuers. The fair values of the properties were based on market values determined using the discounted cash flow, direct comparison and residual methods. Therefore, given the above, Management has determined that the reported net asset value represents fair value at the end of the reporting period.

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(a) Determining fair value *(continued)*

(iii) Derivatives

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

(iv) Other non-derivative financial liabilities

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

(v) Share-based payment transactions

The fair value of employee Performance Share Plan, Restricted Stock Plan and Restricted Cash Plan under the CMA Share Plan are measured using Monte Carlo Simulation. The fair value of employee Share Option Plan under the CapitaLand Share Plans is measured using the Enhanced Trinomial (Hull and White) valuation model. Measurement inputs include the share price at grant date, expected volatility (based on an evaluation of the historical volatility of the Company's share price), expected term of the instruments (based on historical experience and general option holder behaviours), expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(vi) 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 reporting date.

Interest rates used in determining fair values

The interest rates used to discount estimated cashflows, where applicable, are based on the forward yield curve at 31 December plus an adequate constant credit spread, and are as follows:

	Group	
	2013	2012
	%	%
Interest-bearing borrowings	0.5 to 4.4	0.7 to 4.7
Security deposits	0.5 to 5.9	0.7 to 5.9

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(b) Fair value hierarchy

The tables below analyse fair value measurements for various assets and liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. 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).

Assets and liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2013				
Investment properties	–	–	1,546,594	1,546,594
Properties under development	–	–	146,934	146,934
Available-for-sale investments	–	–	498,469	498,469
Forward exchange contracts	–	318	–	318
Interest rate swaps	–	(5,614)	–	(5,614)
2012				
Investment properties	–	–	1,565,789	1,565,789
Properties under development	–	–	548,141	548,141
Available-for-sale investments	–	–	441,306	441,306
Interest rate swaps	–	(8,957)	–	(8,957)

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(b) Fair value hierarchy *(continued)*

Assets and liabilities not carried at fair value but for which fair values are disclosed*

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2013				
Other assets	–	202,441	–	202,441
Secured bank loans	–	(351,507)	–	(351,507)
Unsecured bank loans	–	(1,024,581)	–	(1,024,581)
Secured bonds	–	(14,805)	–	(14,805)
Secured notes	–	(78,225)	–	(78,225)
Unsecured notes	(620,546)	–	–	(620,546)
Unsecured retail bonds	(542,625)	–	–	(542,625)
Other non-current liabilities[1]	–	–	(52,924)	(52,924)
2012				
Other assets	–	143,384	–	143,384
Secured bank loans	–	(379,466)	–	(379,466)
Unsecured bank loans	–	(1,111,014)	–	(1,111,014)
Secured bonds	–	(17,943)	–	(17,943)
Secured notes	–	(79,456)	–	(79,456)
Unsecured notes	(617,294)	–	–	(617,294)
Unsecured retail bonds	(543,950)	–	–	(543,950)
Other non-current liabilities[1]	–	–	(77,403)	(77,403)

[1] Excludes liability for employee benefits and interest rate swaps

* Excludes financial instruments whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

During the year ended 31 December 2013, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for investment properties, properties under development and available-for-sale investments are presented in Note 4, 5 and 9 respectively.

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(c) 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							
2013							
Available-for-sale equity securities	9	–	–	498,469	–	498,469	498,469
Other assets	10	–	202,441	–	–	202,441	202,441
Trade and other receivables[1]	11	–	297,870	–	–	297,870	297,870
Cash and cash equivalents	12	–	1,004,312	–	–	1,004,312	1,004,312
		–	1,504,623	498,469	–	2,003,092	2,003,092
Secured bank loans	15	–	–	–	(346,800)	(346,800)	(351,507)
Unsecured bank loans	15	–	–	–	(1,024,581)	(1,024,581)	(1,024,581)
Secured bonds	15	–	–	–	(14,517)	(14,517)	(14,805)
Secured notes	15	–	–	–	(77,361)	(77,361)	(78,225)
Unsecured notes	15	–	–	–	(599,031)	(599,031)	(620,546)
Unsecured retail bonds	15	–	–	–	(523,756)	(523,756)	(542,625)
Other non-current liabilities[2]	17	–	–	–	(54,310)	(54,310)	(52,924)
Interest rate swaps (current and non-current)	17	(5,614)	–	–	–	(5,614)	(5,614)
Trade and other payables[3]	18	–	–	–	(221,853)	(221,853)	(221,853)
		(5,614)	–	–	(2,862,209)	(2,867,823)	(2,912,680)

1 Excludes prepayments
2 Excludes liability for employee benefits and interest rate swaps
3 Excludes advance payment received and liability for employee benefits

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(c) Accounting classifications and fair values *(continued)*

Fair values versus carrying amounts *(continued)*

	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 equity securities	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)	(77,403)
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)	(3,024,254)

1 Excludes prepayments
2 Excludes liability for employee benefits and interest rate swaps
3 Excludes advance payment received and liability for employee benefits

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(c) Accounting classifications and fair values *(continued)*

Fair values versus carrying amounts *(continued)*

	Note	Loans and receivables	Available-for-sale	Other financial liabilities	Total carrying amount	Fair value
		$'000	$'000	$'000	$'000	$'000
Company						
2013						
Trade and other receivables[1]	11	934,520	–	–	934,520	934,520
Cash and cash equivalents	12	1,256	–	–	1,256	1,256
		935,776	–	–	935,776	935,776
Trade and other payables[2]		–	–	(63,536)	(63,536)	(63,536)
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)

1 Excludes prepayments

2 Excludes advance payment received and liability for employee benefits

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(d) Level 3 fair value measurements

(i) Reconciliation of Level 3 fair value

The movements of financial and non financial assets classified under Level 3, for Investment Properties, Properties Under Development and Other Investments, are presented in Notes 4, 5 and 9 respectively.

(ii) Valuation techniques and significant unobservable inputs

The following table shows the key unobservable inputs used in the various valuation models that the Group uses to value its investment properties, properties under development and available-for-sale investments:

31 December 2013 Valuation methods	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
• Capitalisation approach	• Capitalisation rate: Singapore: 5.8% (net[1]); China: 6.5% to 10.0% (gross [2]) Malaysia: 7.3% (net[1]); Japan: 5.5% to 6.9% (net[1])	• The estimated fair value varies inversely against the capitalisation rate.
• Discounted cashflow model	• Discount rate: Singapore: 7.8% China: 8.5% to 9.5% Malaysia: Nil% Japan: 5.3% to 7.1%	• The estimated fair value varies inversely against the discount rate.
	• Terminal yield rate: Singapore: 6.0% China: 5.0% Malaysia: Nil% Japan: 5.6% to 7.2%	• The estimated fair value varies inversely against the terminal yield rate.
• Residual land model	• Capitalisation rate[3]: China: 6.3% to 6.5% (gross[2])	• The estimated fair value and gross development value vary inversely against the capitalisation rate.
	• Gross development costs	• The estimated fair value varies inversely against the gross development costs.
• Net asset value	• Net asset value	• The estimated fair value would increase if net asset value was higher.

1 Net yield basis is derived after deducting property and related expenses

2 Gross yield basis relates to anchor and non-anchor tenants and is derived prior to deducting property and related expenses

3 Capitalisation approach is applied to derive the total gross development value under the residual land method

30 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

Sensitivity analysis for key unobservable inputs

Investment properties and properties under development

The significant unobservable inputs used in the fair value measurement are capitalisation rate, discount rate, terminal yield rate and gross development costs. A significant decrease in the capitalisation rate, discount rate, terminal yield rate and gross development costs in isolation would result in a significantly higher fair value measurement, and conversely, a significant increase would result in a significantly lower fair value measurement.

Available-for-sale investments

The significant unobservable input used in the fair value measurement is net asset value. A significant decrease in the net asset value in isolation would result in a significantly lower fair value measurement, and conversely, a significant increase would result in a significantly higher fair value measurement.

31 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 at least once 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 2013 or 2012. Information regarding the results of each reportable segment is included below.

Performance was previously measured based on segment earnings before finance costs and income tax ("EBIT"). Performance is now measured based on segment Profit attributable to Owners of the Company ("PATMI") as included in the internal management reports that are reviewed by management. PATMI is used to measure performance as management believes that it is the most relevant measure in evaluating the results of the segments relative to other entities that operate within similar industries.

Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on an arm's length basis.

31 OPERATING SEGMENTS *(continued)*

(a) Operating segments

	Management business $'000	Investment business $'000	Others $'000	Elimination $'000	Total $'000
2013					
External revenue	224,764	154,123	1,529	–	380,416
Inter-segment revenue	6,026	71	64,808	(70,905)	–
Total revenue	230,790	154,194	66,337	(70,905)	380,416
Segment results					
Company and subsidiaries	49,786	141,177	(115,724)	–	75,239
Associates	–	294,803	–	–	294,803
Jointly-controlled entities	93	229,873	–	–	229,966
PATMI	49,879	665,853	(115,724)	–	600,008
Total assets as at 31 December 2013	309,293	9,231,229	820,250	–	10,360,772
Total liabilities as at 31 December 2013	186,439	662,282	2,243,349	–	3,092,070
Other segment items:					
Interest in associates	–	4,195,179	–	–	4,195,179
Interest in jointly-controlled entities	281	2,445,485	–	–	2,445,766
Capital expenditure	5,222	162,128	4,349	–	171,699
2012					
External revenue	249,951	109,648	1,579	–	361,178
Inter-segment revenue	8,054	30	100,604	(108,688)	–
Total revenue	258,005	109,678	102,183	(108,688)	361,178
Segment results					
Company and subsidiaries	74,551	186,036	(121,070)	–	139,517
Associates	–	298,047	–	–	298,047
Jointly-controlled entities	(2,470)	110,924	–	–	108,454
PATMI	72,081	595,007	(121,070)	–	546,018
Total assets as at 31 December 2012	231,854	9,229,293	470,187	–	9,931,334
Total liabilities as at 31 December 2012	108,763	742,699	2,341,911	–	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

31 OPERATING SEGMENTS *(continued)*

(b) Geographical information

	Singapore $'000	China $'000	Malaysia $'000	Japan $'000	India $'000	Corporate $'000	Total $'000
2013							
External revenue	120,007	165,179	40,581	49,259	5,390	–	380,416
PATMI	404,995	261,454	67,078	5,303	(23,098)	(115,724)	600,008
As at 31 December 2013							
Non-current assets	3,173,276	4,635,652	634,424	531,279	80,056	–	9,054,687
Total assets	4,037,956	4,942,607	670,571	626,797	82,841	–	10,360,772
2012							
External revenue	123,036	159,996	37,576	35,639	4,931	–	361,178
PATMI	289,040	273,975	69,991	55,134	(21,052)	(121,070)	546,018
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

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.

32 SUBSIDIARIES

Details of significant 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 2013 %	2012 %
[1]CapitaMalls Asia Treasury Limited	Provision of financial and treasury services	Singapore	$10,000,000	100	100
CapitaLand Retail Singapore Investments Pte. Ltd.	Investment holding	Singapore	$1	100	100
CMA Singapore I Pte. Ltd.	Investment holding	Singapore	$50,000,000	100	100
Pyramex Investments Pte Ltd	Investment holding	Singapore	$2	100	100
One Trust	Property investment	Singapore	$10	100	100
CapitaLand Retail RECM Pte. Ltd.	Investment holding	Singapore	$1	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
CapitaMall Trust Management Limited	Real estate investment trust ("REIT") management	Singapore	$1,000,000	100	100
CapitaLand Retail China Pte. Ltd.	Investment holding	Singapore	$6,460,000 (Ordinary) $5,410,000 (Preference)	100	100
CMA China II Pte. Ltd.	Investment holding	Singapore	$1	100	100
CMA China III Pte. Ltd.	Investment holding	Singapore	$1	100	100
[2,3]CapitaMalls Chongqing Investment Co., Ltd.	Property investment	The People's Republic of China	Chinese Renminbi ("RMB") 83,000,000	73	73

32 SUBSIDIARIES *(continued)*

Details of significant subsidiaries are as follows: *(continued)*

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 2013 %	2012 %
[2,3]CapitaMalls Foshan City Nanhai Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB100,000,000	73	73
[2,3]CapitaMalls Hunan Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB127,000,000	73	73
[2,3]CapitaMalls Maoming City Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB72,000,000	73	73
[2,3]CapitaMalls Zhangzhou Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB85,000,000	73	73
[2]CapitaMalls Wuhan Gutian Commercial Property Co., Ltd.	Property investment	The People's Republic of China	RMB900,000,000	100	–
[2,4]CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd.	Property management and consultancy services	The People's Republic of China	United States Dollar ("US$") 28,040,000	100	100
[2,4]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
CapitaMalls Fund Management Pte. Ltd.	Fund management	Singapore	$1	100	100
CapitaRetail China Trust Management Limited	REIT management	Singapore	$4,250,000	100	100
CapitaLand Retail (MY) Pte. Ltd.	Investment holding	Singapore	$1	100	100
[5,6]Special Coral Sdn. Bhd.	Property investment	Malaysia	Ringgit Malaysia ("RM") 2	100	100
[5]CapitaMalls Malaysia REIT Management Sdn. Bhd.	REIT management	Malaysia	RM1,000,000	70	70
[5]CapitaLand Retail Malaysia Sdn. Bhd.	Project management	Malaysia	RM500,000	100	100
CMA Japan Holdings Pte. Ltd.	Investment holding	Singapore	$1	100	100

32 SUBSIDIARIES *(continued)*

Details of significant subsidiaries are as follows: *(continued)*

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 2013 %	2012 %
[7,8] CapitaRetail LPM Tokutei Mokuteki Kaisha	Property investment	Japan	Japanese Yen ("JPY") 1,836,100,000 (Specified) JPY9,400,000,000 (Preferred)	100	100
[7,8] CapitaRetail IH Tokutei Mokuteki Kaisha	Property investment	Japan	JPY2,787,100,000 (Specified) JPY1,984,000,000 (Preferred)	100	100
CapitaMalls Japan Fund Management Pte. Ltd.	Property fund management	Singapore	$2	100	100
[9] CapitaMalls Japan Kabushiki Kaisha (fka CapitaLand Retail Management Kabushiki Kaisha)	Property management	Japan	JPY70,000,000	100	100
CapitaLand Retail India Pte. Ltd.	Investment holding	Singapore	$1	100	100
CapitaMalls India Fund Management Pte. Ltd.	Fund management	Singapore	$2	100	100
[10] CapitaLand Retail Property Management India Private Limited	Property management	India	Indian Rupee ("INR") 132,000,000	100	100

Notes:

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

1 This subsidiary has the following unsecured debt securities as at 31 December 2013: (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.

2 Audited by KPMG China (a member firm of KPMG International)

3 Registered as an equity joint venture under the PRC law

4 Registered as a wholly-owned foreign enterprise ("WOFE") under PRC law

5 Audited by KPMG Malaysia (a member firm of KPMG International)

6 This subsidiary has two classes of senior notes amounting to $61.9 million and $15.5 million as at 31 December 2013 and which bear interest of 4.00% and 4.50% per annum respectively with maturity date on 1 October 2015. The notes are fully secured by mortgages on investment property amounting to $306.9 million.

7 Audited by KPMG Japan (a member firm of KPMG International)

8 These entities have bonds amounting to $14.5 million in aggregate as at 31 December 2013 and which bear interest of 0.52% 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 investment properties amounting to $498.0 million.

9 Not required to be audited by laws of country of incorporation

10 Audited by BSR and Co (a member firm of KPMG International)

Save as disclosed above, all shares in subsidiaries (where applicable) relate to ordinary shares.

33 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 2013 %	2012 %
CapitaMall Trust	REIT	Singapore	Not applicable	27.62	27.57
CapitaRetail China Trust	REIT	Singapore	Not applicable	25.55	25.08
CapitaMalls China Income Fund	Property investment	Singapore	US$882,345,000	45.00	45.00
CapitaMalls China Income Fund II (formerly CapitaMalls China Incubator Fund)	Property investment	Singapore	US$425,000,000	30.00	30.00
CapitaMalls China Income Fund III (formerly CapitaMalls China Development Fund II)	Property investment	Singapore	$900,000,000	45.00	45.00
CapitaMalls China Development Fund III	Property investment	Singapore	U$703,887,132	50.00	50.00
[1]CapitaMalls Malaysia Trust	REIT	Malaysia	Not applicable	36.10	35.88
CapitaMalls Japan Fund Pte. Ltd.	Investment holding	Singapore	$2 (ordinary) JPY35,312,200,000 (preference)	26.29	26.29
CapitaMalls India Development Fund	Property investment	Singapore	$319,600,003	45.45	45.45
[2]Horizon Realty Fund, LLC	Investment holding	Mauritius	US$196,000,000	21.43	21.43
[3]Jewel Changi Airport Trust	Investment holding	Singapore	$1,000	49.00	–
[3]Jewel Changi Airport Trustee Pte. Ltd.	Project and property management	Singapore	$1,000	49.00	–
[3]Jewel Changi Airport Devt Pte. Ltd.	Trust services	Singapore	$1,000	49.00	–

Notes:
All associates are audited by KPMG LLP Singapore except for the following:

1 Audited by KPMG Malaysia (a member firm of KPMG International)
2 Audited by Ernst and Young and its associated firms
3 Entity is newly established during the year ended 31 December 2013

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.

34 JOINTLY-CONTROLLED ENTITIES

Details of significant 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 2013 %	2012 %
Orchard Turn Holding 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
Infinity Mall Trust	Property development	Singapore	$100	50.00	50.00
Infinity Office Trust	Property development	Singapore	$100	50.00	50.00
[1] Full Grace Enterprises Limited	Investment holding	Hong Kong	HK$2	65.00	65.00
[1] Ever Bliss International Limited	Investment holding	Hong Kong	HK$2	72.50	72.50
[2] Suzhou Jinghui Properties Co., Ltd.	Real estate development and management	The People's Republic of China	RMB1,082,715,000	50.00	50.00
[3] Sime Darby CapitaMalls Asia (Melawati Mall) Sdn. Bdn. (fka Prized Corridor Sdn. Bhd.)	Property investment and development	Malaysia	RM100,000	50.00	50.00
Reknown City Holdings Limited	Investment holding	British Virgin Islands	US$90	50.00	50.00
CTM Property Trust	Property development	Singapore	$1,037,200,000	31.25	31.25

Notes:
All jointly-controlled entities are audited by KPMG LLP Singapore except for the following:

1 Audited by KPMG Hong Kong (a member firm of KPMG International)
2 Registered as an equity joint venture under PRC law and audited by KPMG China (a member firm of KPMG International)
3 Audited by KPMG Malaysia (a member firm of KPMG International)

All shares in jointly-controlled entities (where applicable) relate to ordinary shares.

35 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements.

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.

  The Group does not expect any material financial impact as the financial position from the adoption of this amendment.

- 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.

35 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED *(continued)*

Applicable for the Group's 2014 financial statements *(continued)*

The Group has re-evaluated its involvement with investees under the new control model. As a consequence, the Group would change its control conclusion in respect of its investment in CapitaMalls Malaysia Trust, which was previously accounted for as an associate using the equity method.

This standard will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. Based on FY2013 financial information, the estimated effect of the application of FRS 110 is as follows:

	Group 2013 $'000
Increase in Revenue	112,720
Increase in Profit for the Year	58,381
Increase in Non-Controlling Interest (Income Statement)	58,381
Increase in Total Assets	949,393
Increase in Total Liabilities	402,609
Increase in Non-Controlling Interest (Statement of Financial Position)	546,784
Increase in Total Equity	546,784

There is no change in Profit Attributable to Owners of the Company, Equity Attributable to Owners of the Company and Return on Equity.

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

  As the Group is currently applying the equity method of accounting for its joint ventures, there will be no impact to the Group's 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 financial impact on the results and financial position of the Group and the Company upon adoption of this standard by the Group in 2014.

36 STATEMENT OF RECONCILIATION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial information has 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.

37 SUBSEQUENT EVENTS

Subsequent to the year ended 31 December 2013, the Board proposed a one-tier (tax exempt) final dividend of 1.75 Singapore cents per share in respect of the financial year 2013 which is to be tabled for approval at the annual general meeting of shareholders.

On 23 January 2014, two jointly-controlled entities entered into sale and purchase agreements to sell all the office strata units in Westgate Tower, to two unrelated parties for an aggregate consideration of $579.4 million. Westgate Tower is currently under development, with construction expected to be completed by the end of 2014.

Supplemental Information

1. DIRECTORS' REMUNERATION

a) Directors' Compensation Table for the financial year ended 31 December 2013:

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	817,760	1,207,943	628,794	–	–	2,654,497
Sub-Total 1	817,760	1,207,943	628,794	–	–	2,654,497
Non-Executive Director						
Liew Mun Leong[6]	–	–	–	90,669[7,9]	–	90,669
Ng Kee Choe[8]	–	–	–	103,631[7]	44,413[7]	148,044
Lim Ming Yan	–	–	–	162,203[7,9]	–	162,203
Chua Kheng Yeng Jennie	–	–	–	74,000[10]	–	74,000
Lim Tse Ghow Olivier	–	–	–	159,500[9]	–	159,500
Sunil Tissa Amarasuriya	–	–	–	99,050[7]	42,450[7]	141,500
Tan Sri Amirsham A Aziz	–	–	–	68,716[7]	29,450[7]	98,166
Dr Loo Choon Yong	–	–	–	114,917[7]	49,250[7]	164,167
Arfat Pannir Selvam	–	–	–	86,800[7]	37,200[7]	124,000
Professor Tan Kong Yam	–	–	–	103,600[7]	44,400[7]	148,000
Bob Tan Beng Hai[11]	–	–	–	95,226[7]	40,811[7]	136,037
Yap Chee Keong[12]	–	–	–	50,492[7]	–	50,492
Sub-Total 2	–	–	–	1,208,804	287,974	1,496,778
				Directors' Fees inclusive of attendance fee[13] Cash component $	Units component $	Total $
Payable by Subsidiaries:						
Lim Ming Yan[14]	–	–	–	251,055[7,9]	–	251,055
Lim Beng Chee[15]	–	–	–	13,612[7,16]	–	13,612
Sub-Total 3	–	–	–	264,667	–	264,667
Total For Directors of the Company	817,760	1,207,943	628,794	1,473,471	287,974	4,415,942

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 2013 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.

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 (rounded off to the nearest two decimal places) 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 (rounded off to the nearest two decimal places) 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 retired as a Director of the Company on 24 April 2013. He retired as a Director of CapitaMall Trust Management Limited and CapitaRetail China Trust Management Ltd on 1 January 2013. 100% of his Director's Fees will be paid to CapitaLand Limited.

7 Directors' Fees in cash and/or share components are rounded to the nearest dollar.

8 Ng Kee Choe was appointed as a Director on 1 March 2013.

9 With effect from year 2013 and onwards, Non-Executive Directors who are management appointees of CapitaLand Limited will not receive the shares or units component of their Directors' Fees. Full Directors' Fees will be paid to CapitaLand Limited entirely in cash.

10 Chua Kheng Yeng Jennie will be retiring as a Director of the Company and she will not be seeking re-election at the coming Annual General Meeting on 17 April 2014. She will receive her Director's Fees entirely in cash.

11 Bob Tan Beng Hai was appointed as a Director on 1 March 2013.

12 Yap Chee Keong retired as a Director of the Company on 24 April 2013. He will receive his Director's Fees entirely in cash.

13 Directors' Fees will be paid upon approval by the shareholders of the relevant subsidiaries.

14 Lim Ming Yan was appointed as a Director of CapitaMall Trust Management Limited and CapitaRetail China Trust Management Limited on 1 January 2013.

15 Lim Beng Chee resigned as a Director of CapitaRetail China Trust Management Limited on 1 January 2013 and Director of CapitaMalls Malaysia REIT Management Sdn. Bhd. on 15 May 2013. He was appointed as an Alternate Director to Ho Chee Hwee Simon and Ng Kok Siong, Directors of CapitaMalls Malaysia REIT Management Sdn. Bhd. on 15 May 2013.

16 For CapitaMalls Malaysia REIT Management Sdn. Bhd., 100% of Lim Beng Chee's fees of approximately S$13,612 (equivalent to RM34,274) will be paid in cash to the Company.

1. DIRECTORS' REMUNERATION *(continued)*

b) 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

Supplemental Information

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.

4 Directors' Fees were approved by shareholders and have since been paid.

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 retired as a director of the Company 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 was paid to CapitaLand Limited and he was 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 retired as a director of the Company on 24 April 2013. He received 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.

2. EXECUTIVES' REMUNERATION

a) Remuneration Data (for key management personnel) for the financial year ended 31 December 2013:

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, Tan Wee Yan Wilson
$1,000,000 to $1,249,999	–
$750,000 to $999,999	Tan Tee Hieong Tony, Lim Hwee Li Sharon

1 Total Compensation comprises salary, annual wage supplement, bonus, value of the contingent awards of shares granted under the RSP and PSP, and other benefits in kind.

2 Key Management Personnel refers to the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Chief Development Officer of CapitaMalls Asia Corporate Office, Chief Executive Officer of CapitaMall Trust Management Limited, Chief Executive Officer of CapitaRetail China Trust Management Ltd and Chief Executive Officer of CapitaMalls Malaysia REIT Management Sdn. Bhd. Details of Mr Lim Beng Chee, the Chief Executive Officer of the Company, are disclosed in the "Directors' Remuneration" section in page 205.

b) Percentage Breakdown of Remuneration Data (for key management personnel) for the financial year ended 31 December 2013:

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	32%	42%	26%
Ng Kok Siong	31%	39%	30%
Yong Kam Yuen Simon	33%	34%	33%
Tan Wee Yan Wilson	37%	38%	25%
Tan Tee Hieong Tony	41%	37%	22%
Lim Hwee Li Sharon	45%	34%	21%

1 Key Management Personnel refers to the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Chief Development Officer of CapitaMalls Asia Corporate Office, Chief Executive Officer of CapitaMall Trust Management Limited, Chief Executive Officer of CapitaRetail China Trust Management Ltd and Chief Executive Officer of CapitaMalls Malaysia REIT Management Sdn. Bhd. Details of Mr Lim Beng Chee, the Chief Executive Officer of the Company, are disclosed in the "Directors' Remuneration" section in page 205.

2 Award of shares comprises value of contingent awards of shares granted under the RSP and PSP. 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 2013, the aggregate total remuneration paid to the key management personnel (who are not Directors or the CEO) for the financial year ended 31 December 2013 is $7,765,423.

For FY 2013, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and the 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	2013 $'000
Transactions with CapitaLand Limited and its associates:	
Sales of goods and services	67,890
Purchase of goods and services	7,126
Transactions with Temasek Holdings (Private) Limited and its associates:	
Sales of goods and services	797
Transactions with Telechoice International Limited and its associates:	
Sales of goods and services	861
Transactions with Directors, Dr Loo Choon Yong and its associates:	
Sales of goods and services	234
Purchase of goods and services	548

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 31 December 2013 ("2013 Shared Services Agreement") entered into between the Company and CapitaLand which renews the shared services agreement dated 28 December 2012 ("2012 Shared Services Agreement") on substantially the same terms. Pursuant to the 2013 Shared Services Agreement, CapitaLand is to provide the Group with advisory and other services in relation to, amongst others, administration, corporate communications, human resource, information technology, marketing, risk management and treasury functions for the duration of the financial year ending 31 December 2014.

The annual fee for the services is computed in accordance with a formula set out in the 2013 Shared Services Agreement, subject to a minimum fee of S$2.5 million per annum; and

(d) the agreement dated 31 December 2013 ("2013 IT Infrastructure Agreement") entered into between the Company and CapitaLand which renews the agreement dated 28 December 2012 ("2012 IT Infrastructure Agreement") on substantially the same terms. Pursuant to the 2013 IT Infrastructure Agreement, the Group may use CapitaLand's information technology infrastructure for the duration of the financial year ending 31 December 2014. The consideration is calculated in accordance with the terms set out in the 2013 IT Infrastructure Agreement and is approximately S$9.3 million.

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 2013 include:

(a) the 2012 Shared Services Agreement;

(b) the 2013 Shared Services Agreement;

(c) the 2012 IT Infrastructure Agreement;

(d) the 2013 IT Infrastructure Agreement;

(e) the service agreement dated 29 November 2013 between CapitaLand Retail Management Pte Ltd (a wholly-owned subsidiary of the Company) ("CRM") and JG Trustee Pte. Ltd. ("JG Trustee") in its capacity as trustee of Infinity Mall Trust ("IMT") (the joint venture entity responsible for the development of the retail component of the Jurong Gateway Site) pursuant to which CRM provides property management service in relation to the retail component of the development;

(f) the services agreement dated 1 December 2013 between CRM and JG Trustee in its capacity as trustee for IMT pursuant to which CRM provides leasing and marketing services to the retail component of the development; and

(g) the service agreement dated 2 December 2013 between Brilliance Trustee Pte. Ltd. in its capacity as trustee of Brilliance Mall Trust (the joint venture entity responsible for the development of the retail component of the Bedok Town Centre site) and CRM pursuant to which CRM provides to the joint-venture property management services in relation to the retail component of the development.

Shareholding Statistics

As at 21 February 2014

SHARE CAPITAL FULLY PAID

S$4,620,970,626 (comprising 3,892,493,217 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	65.36
2	Citibank Nominees Singapore Pte Ltd	274,345,220	7.05
3	DBS Nominees Pte Ltd	269,718,442	6.93
4	DBSN Services Pte Ltd	244,842,516	6.29
5	HSBC (Singapore) Nominees Pte Ltd	118,734,760	3.05
6	United Overseas Bank Nominees (Pte) Ltd	65,457,742	1.68
7	BNP Paribas Securities Services Singapore	54,897,945	1.41
8	Raffles Nominees (Pte) Ltd	21,664,103	0.56
9	DB Nominees (Singapore) Pte Ltd	13,284,567	0.34
10	Bank of Singapore Nominees Pte Ltd	9,162,094	0.24
11	BNP Paribas Nominees Singapore Pte Ltd	7,125,867	0.18
12	Phillip Securities Pte Ltd	4,763,135	0.12
13	Heng Siew Eng	3,912,000	0.10
14	DBS Vickers Securities (Singapore) Pte Ltd	3,911,806	0.10
15	OCBC Securities Private Ltd	3,816,862	0.10
16	Societe Generale, Singapore Branch	3,214,413	0.08
17	ABN AMRO Nominees Singapore Pte Ltd	3,151,789	0.08
18	OCBC Nominees Singapore Private Limited	3,115,501	0.08
19	UOB Kay Hian Pte Ltd	2,999,000	0.08
20	Maybank Kim Eng Securities Pte Ltd	2,663,000	0.07
		3,654,800,762	93.90

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 21 February 2014

	No. of ordinary shares in which substantial shareholder has a					
	Direct Interest		Deemed Interest		Total Interest	
Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Temasek Holdings (Private) Limited ("Temasek")[1]	–	–	2,549,570,593	65.50	2,549,570,593	65.50
CapitaLand Limited	2,544,020,000	65.36	–	–	2,544,020,000	65.36

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	48	0.15	13,331	0.00
1,000 – 10,000	27,183	86.75	96,719,094	2.48
10,001 – 1,000,000	4,078	13.02	132,952,822	3.42
1,000,001 and above	25	0.08	3,662,807,970	94.10
	31,334	100.00	3,892,493,217	100.00

Approximately 34.42% 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 Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Thursday, 17 April 2014 at 10.00 a.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2013 and the Auditors' Report thereon. (Ordinary Resolution 1)

2. To declare a final 1-tier dividend of S$0.0175 per share for the year ended 31 December 2013. (Ordinary Resolution 2)

3. To approve Directors' fees of S$1,496,778 for the year ended 31 December 2013 comprising: (Ordinary Resolution 3)

   (a) S$1,208,804 to be paid in cash (2012: S$937,486); and

   (b) S$287,974 to be paid in ordinary shares in the capital of the Company 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 (2012: S$336,208),

   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:

   (a) Tan Sri Amirsham A Aziz (Ordinary Resolution 4(a))
   (b) Mr Lim Tse Ghow Olivier (Ordinary Resolution 4(b))
   (c) Mr Lim Beng Chee (Ordinary Resolution 4(c))

5. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to: (Ordinary Resolution 6)

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) 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) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force (notwithstanding the authority conferred by this Resolution may have ceased to be 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) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the 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) in the capital of the Company shall be based on the total number of issued shares (excluding treasury shares, if any) in the capital of the Company 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.

7. That the Directors of the Company be and are hereby authorised to: (Ordinary Resolution 7)

(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) in the capital of the Company from time to time.

8. 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 (the "Dividend Reinvestment Scheme"), to: (Ordinary Resolution 8)

   (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
17 March 2014

Notes:

I A member of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

II Where a member of the Company appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

III The proxy form must be lodged/deposited at the office of the Company's Singapore Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders), or at the office of the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for Hong Kong shareholders), not later than 15 April 2014 at 10.00 a.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 financial year 2013 comprises a combination of cash and shares. If approved, the aggregate amount of Directors' fees of S$1,496,778 will be paid as to S$1,208,804 in cash, and S$287,974 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 Ms Chua Kheng Yeng Jennie, who is retiring from the Board at the conclusion of the AGM and will receive all of her 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 of the Company on the SGX-ST (rounded off to the nearest two decimal places) 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 Lim Ming Yan and Mr Olivier Lim Tse Ghow, who are employees of CapitaLand Limited ("CapitaLand"), their Directors' fees will be paid wholly in cash to CapitaLand. In respect of Ms Chua Kheng Yeng Jennie, she will receive all of her 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 financial year 2013 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 since 2011.

2 In relation to item 4 under the heading "As Ordinary Business", Ms Chua Kheng Yeng Jennie retires by rotation pursuant to Article 95 of the Articles of Association of the Company at the AGM and is not seeking re-election. The retirement of Ms Chua as Director of the Company will take effect upon the conclusion of the AGM.

In relation to items 4(i), 4(ii) and 4(iii) under the heading "As Ordinary Business", Tan Sri Amirsham A Aziz will, upon re-election, continue to serve as Chairman of the Risk Committee and a Member of the Executive Resource and Compensation Committee; Mr Lim Tse Ghow Olivier will, upon re-election, continue to serve as Chairman of the Corporate Disclosure Committee, and a Member of the Finance and Budget Committee and the Investment Committee; and Mr Lim Beng Chee will, upon re-election, continue to serve as a Member of the Corporate Disclosure Committee, the Finance and Budget Committee and the Investment Committee. Please refer to Appendix I for biographical details of Tan Sri Amirsham, Mr Olivier Lim and Mr Lim Beng Chee,

3 Ordinary Resolution 6 under the heading "As Special Business", if passed, will empower the Directors to issue shares and to make or grant instruments (such as securities, warrants or debentures) 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) in the capital of the Company 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) in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares, if any) in the capital of the Company at the time that Ordinary Resolution 6 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 6 is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

4 Ordinary Resolution 7 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) in the capital of the Company from time to time. Such eight per cent. (8%) limit will apply across the entire duration of the Performance Share Plan and the Restricted Stock Plan. Nonetheless, the Directors currently do not intend, in any given financial year, to grant awards under the Performance Share Plan and the Restricted Stock Plan which, collectively, would comprise more than one per cent. (1%) of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company from time to time (the "Yearly Limit"). Should the Yearly Limit not be fully utilised in any given financial year, the unutilised balance will be rolled forward and may be used by the Directors in subsequent years to make grants of awards under the Performance Share Plan and the Restricted Stock Plan.

5 Ordinary Resolution 8 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 Tan Sri Amirsham A Aziz, Mr Lim Tse Ghow Olivier and Mr Lim Beng Chee, who are retiring by rotation pursuant to the Article 95 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election at the AGM.

As disclosed in the section entitled "Waivers" in the listing document of the Company dated 30 September 2011 issued in connection with its secondary listing on The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission of Hong Kong 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 4 March 2014, 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 Tan Sri Amirsham A Aziz, Mr Lim Tse Ghow Olivier and Mr Lim Beng Chee 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.

Tan Sri Amirsham A Aziz, aged 63, has been appointed as Independent Non-Executive Director since 18 August 2011 and was last re-elected as Director at the Company's Annual General Meeting on 13 April 2012. He is also Chairman of the Risk Committee and a Member of the Executive Resource and Compensation Committee.

Tan Sri Amirsham is currently an Independent Non-Executive Director of CapitaLand (listed on the SGX-ST). He is also the Chairman of Destination Resorts & Hotels Sdn. Bhd, Themed Attractions Berhad, Themed Attractions & Resorts Sdn. Bhd. and the Malaysian Investment Development Authority and the non-executive director of Lingui Developments Berhad, Samling Global Limited, Petroliam Nasional Berhad and RAM Holdings Berhad.

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

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

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

There is no service contract entered into between Tan Sri Amirsham and the Company, but his appointment will be subject to the rotation and retirement requirements in accordance with the Articles of Association of the Company.

Tan Sri Amirsham is entitled to receive an annual basic retainer fee of S$65,000 per annum. Additional fees of S$29,000 per annum will be payable to Tan Sri Amirsham for his chairmanship for the Risk Committee; additional fees of S$20,000 per annum will be payable to him for his membership of the Executive Resource and Compensation Committee. Attendance fees of S$5,000 per Board and 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 4 March 2014, Tan Sri Amirsham had an interest in 18,700 shares of the Company.

Mr Lim Tse Ghow Olivier, aged 49, has been appointed as a Non-Independent Non-Executive Director since 1 July 2005 and was last re-elected as Director at the Company's Annual General Meeting on 21 April 2011. He is also a Chairman of the Corporate Disclosure Committee and a Member of the Finance and Budget Committee and the Investment Committee.

Mr Olivier Lim is the Group Deputy CEO of CapitaLand. He is concurrently the non-executive Chairman of Australand Holdings Limited (listed on the Australian Securities Exchange). Mr Lim also serves as a board member of Sentosa Development Corporation, and as the non-executive Chairman of its subsidiary, Mount Faber Leisure Group Pte. Ltd.

Mr Olivier Lim's prior positions in CapitaLand included Group Chief Investment Officer until January 2013, Head of Strategic Corporate Development until February 2012, and Group Chief Financial Officer ("CFO") for six years until 2011. Prior to joining CapitaLand in 2003, he was Director and Head of Real Estate Unit, Corporate Banking in Citibank Singapore.

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

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

There is no service contract entered into between Mr Olivier 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 Olivier Lim is entitled to receive an annual basic retainer fee of S$65,000 per annum. Additional fees of S$23,000 per annum will be payable to Mr Olivier Lim for his chairmanship for the Corporate Disclosure Committee; additional fees of S$20,000 per annum and S$25,000 per annum will be payable to him for his respective membership of the Finance and Budget Committee and the Investment Committee. Attendance fees of S$3,000 per Board meeting, S$5,000 per overseas 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. As Mr Lim is a management appointee of CapitaLand, his Directors' fees will be paid full in cash to CapitaLand.

As at 4 March 2014, Mr Olivier Lim had an interest in 946,561 shares of the Company.

Mr Lim Beng Chee, aged 46, has been appointed as an Executive Non-Independent Director since 1 November 2008 and was last re-elected as Director at the Company's Annual General Meeting on 21 April 2011. He is also a Member of the Corporate Disclosure Committee, the Finance and Budget Committee and the Investment Committee.

Mr Lim is currently an Alternate Director to Mr Ho Chee Hwee Simon and Mr Ng Kok Siong of CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on the Bursa Malaysia Securities Berhad).

Mr Lim played an active role in creating the Company's retail real estate funds and retail real estate investment trusts. Mr Lim was the Deputy CEO of CapitaMall Trust Management Limited from March 2005 - December 2006. He was the CEO of CapitaRetail China Trust Management Limited from December 2006 to September 2008. Mr Lim was appointed as CEO for both the Company and CapitaMall Trust Management Limited in November 2008, stepping down as CEO of CapitaMall Trust Management Limited on 25 November 2009 upon the listing of the Company.

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

There is no service contract entered into between Mr Lim and the Company but he is employed under employment letter, which generally stipulate remuneration terms, entitlement to leave and other benefits consistent with the Company's prevailing policy. A breakdown of Mr Lim's remuneration is referred to page 205 of the Annual Report 2013. Mr Lim's remuneration package is determined with reference to his roles and responsibilities and the prevailing market conditions, as well as the performance and profitability and the Group and its subsidiaries. The remuneration is recommended by the Executive Resource and Compensation Committee and approved by the Board of the Company.

His appointment as a Director of the Company will be subject to the rotation and retirement requirements in accordance with the Articles of Association of the Company.

As an Executive Non-Independent Director of the Company, Mr Lim is not entitled to any Directors' fees.

As at 4 March 2014, Mr Lim Beng Chee had an interest in 611,200 shares of the Company.

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(s)./Passport no(s)./Company Regn no.)

of ____ (Address)

being a member/members of CapitaMalls Asia Limited ("**CMA**") hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of shares	%
Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of shares	%
Address:			

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 Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Thursday, 17 April 2014 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

No.	Resolutions Relating to:	For*	Against*
	ORDINARY BUSINESS		
1	Adoption of Directors' Report, Audited Financial Statements and Auditors' Report for the year ended 31 December 2013		
2	Declaration of Final Dividend of S$0.0175 per share		
3	Approval of Directors' Fees of S$1,496,778		
4(a)	Re-election of Tan Sri Amirsham A Aziz as Director		
4(b)	Re-election of Mr Lim Tse Ghow Olivier as Director		
4(c)	Re-election of Mr Lim Beng Chee as Director		
5	Re-appointment of Messrs KPMG LLP as Auditors and authorise the Directors to fix the Auditors' remuneration		
	SPECIAL BUSINESS		
6	Authority for Directors to issue shares and to make or grant instruments convertible into shares		
7	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		
8	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 ________________ 2014

	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, Wan Chai, 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 the 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 CDP/ the 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 Information

BOARD OF DIRECTORS
Ng Kee Choe (Chairman)
Lim Ming Yan
Jennie Chua
Lim Tse Ghow Olivier
Sunil Tissa Amarasuriya
Tan Sri Amirsham A Aziz
Dr Loo Choon Yong*
Arfat Pannir Selvam
Bob Tan Beng Hai
Professor Tan Kong Yam
Lim Beng Chee (CEO)

COMPANY SECRETARIES
Choo Wei-Pin
Tan Lee Nah

AUDIT COMMITTEE
Bob Tan Beng Hai (Chairman)
Sunil Tissa Amarasuriya
Professor Tan Kong Yam

CORPORATE DISCLOSURE COMMITTEE
Lim Tse Ghow Olivier (Chairman)
Arfat Pannir Selvam
Lim Beng Chee

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE
Sunil Tissa Amarasuriya (Chairman)
Ng Kee Choe
Tan Sri Amirsham A Aziz

FINANCE AND BUDGET COMMITTEE
Lim Ming Yan (Chairman)
Lim Tse Ghow Olivier
Bob Tan Beng Hai
Lim Beng Chee

* Lead Independent Non-Executive Director

INVESTMENT COMMITTEE
Ng Kee Choe (Chairman)
Lim Ming Yan
Lim Tse Ghow Olivier
Dr Loo Choon Yong
Professor Tan Kong Yam
Lim Beng Chee

NOMINATING COMMITTEE
Dr Loo Choon Yong (Chairman)
Ng Kee Choe
Arfat Pannir Selvam

RISK COMMITTEE
Tan Sri Amirsham A Aziz (Chairman)
Lim Ming Yan
Bob Tan Beng Hai

REGISTERED OFFICE
39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Telephone: +65 6536 1188
Facsimile: +65 6536 3884

PLACE OF BUSINESS IN HONG KONG
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The Landmark
15 Queen's Road, Central
Hong Kong

SINGAPORE PRINCIPAL SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623
Telephone: +65 6536 5355
Facsimile: +65 6536 1360

HONG KONG SHARE REGISTRAR
Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

AUDITORS
KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Telephone: +65 6213 3388
Facsimile: +65 6225 0984
(Engagement Partner since financial year ended 31 December 2010: Eng Chin Chin)

PRINCIPAL BANKERS
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 Bank, Ltd
Oversea-Chinese Banking Corporation Limited
Public Bank Berhad
RHB Bank Berhad
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd
United Overseas Bank Limited

This Annual Report to Shareholders may contain forward-looking statements. Forward-looking statement is subject to inherent uncertainties and is based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-looking statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

CapitaMalls Asia Limited
Company Reg. No.: 200413169H

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Fax: +65 6536 3884
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