

\$S1.05 BILLION PROFIT

**GROUP RAISED \$S5 BILLION
THROUGH FOUR RIGHTS ISSUES**

**GROUP MANAGES \$S47.7 BILLION
OF REAL ESTATE ASSETS**

**LISTED CAPITAMALLS ASIA,
LARGEST IPO IN 16 YEARS**

**MORE THAN 110 CITIES
IN OVER 20 COUNTRIES**

OVER 100 AWARDS AND ACCOLADES

AHEAD OF THE CURVE

GROWTH DURING GLOBAL CRISIS

CORPORATE PROFILE

CapitaLand Limited is one of Asia's largest real estate companies. Headquartered and listed in Singapore, the multi-local company's core businesses in real estate, hospitality and real estate financial services are focused in growth cities in Asia Pacific and Europe.

The company's real estate and hospitality portfolio, which includes homes, offices, shopping malls, serviced residences and mixed developments, spans more than 110 cities in over 20 countries. CapitaLand also leverages on its significant asset base, real estate domain knowledge, financial skills and extensive market network to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and associates of CapitaLand include Australand, CapitaMalls Asia, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust and CapitaRetail China Trust.

CREDO

Building for People to Build People
Building People to Build for People

MISSION

To build a world-class real estate company with international presence that:

- Creates sustainable shareholder value
- Delivers quality products and services
- Attracts and develops quality human capital

VISION

A world-class entrepreneurial, prosperous and lasting real estate company led and managed by people with core values respected by the business and social community.

A leading real estate company in Asia, reputed for its innovative and quality real estate products and services.

A company with a strong global network of long-term investors and blue-chip partners.

A company which attracts, develops and retains a diversity of talents regardless of nationality, race or age.

A company which consistently creates value for shareholders.

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FINANCIAL HIGHLIGHTS

Above S\$1 Billion Net Profit for Fourth Consecutive Year

Profit attributable to Shareholders

S\$1.05 billion

Return on Shareholders' Funds

8.7%

Group Managed Real Estate Assets

S\$47.7 billion

Earnings Before Interest and Tax

S\$1.55 billion

Return on Total Assets

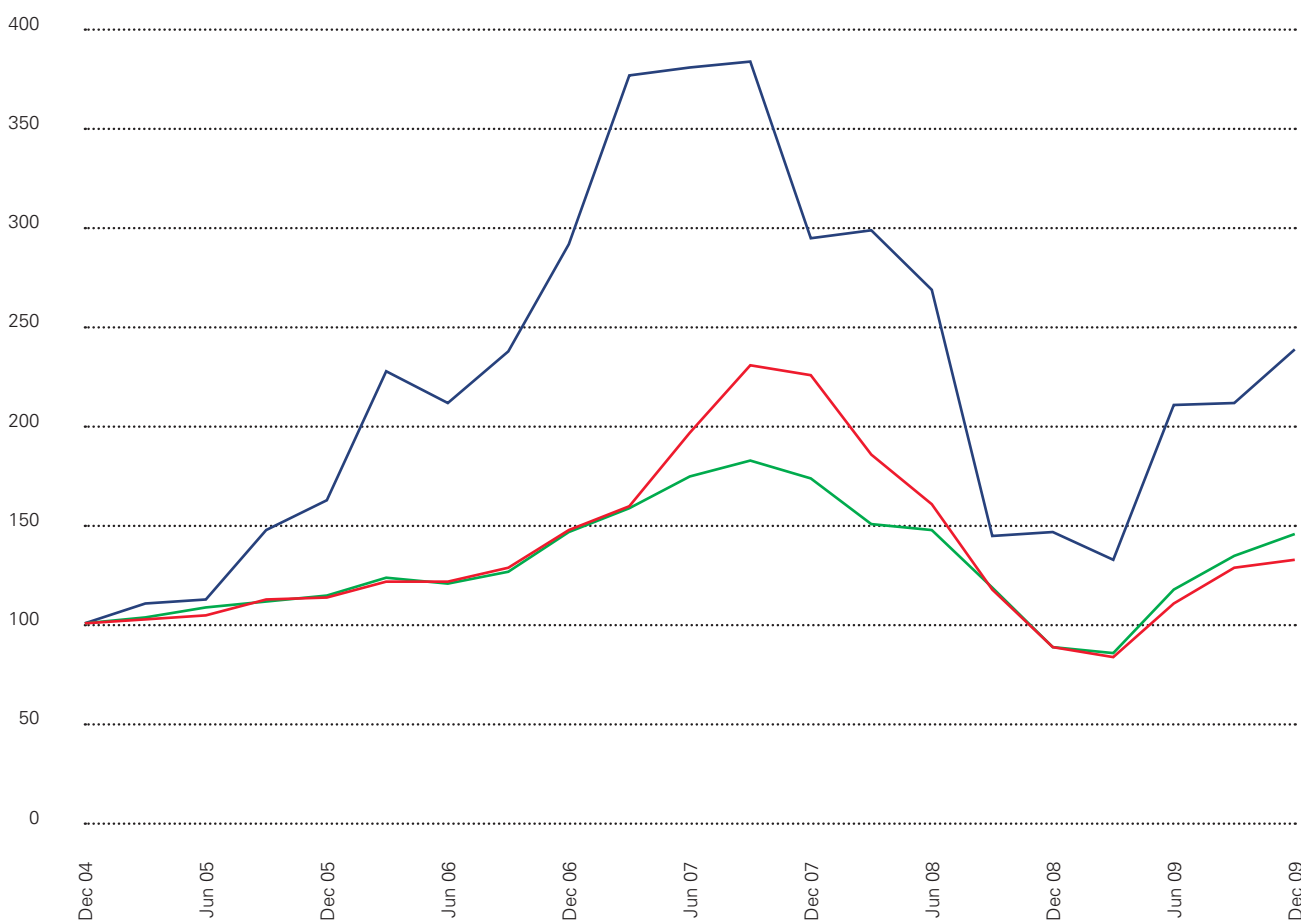
5.5%

Revenue Under Management

S\$6.3 billion

5-YEAR SHARE PRICE PERFORMANCE

Benchmark Index



• CapitalLand Share Price

• MSCI AC Asia Pacific ex-Japan Industrials Index

• Straits Times Index

Source: Bloomberg

PRIMING FOR NEW GROWTH

Over the decade, CapitaLand has developed deep roots and a strong foundation. We have strengthened our balance sheet. We are ready for our next phase of growth.

SHARPENING OUR GEOGRAPHIC FOCUS

We continue to focus on markets with the greatest growth potential. We stayed on course with our corporate strategy of Focus, Balance, Scale.

DEVELOPING OUR PEOPLE

During the decade, CapitaLand has developed its strong management bench strength. We prepared them through several crises, including the recent global crisis. They are empowered to deliver for the next phase of growth.

GLOBAL PRESENCE

ASIA PACIFIC

AUSTRALIA Adelaide Brisbane Hobart Melbourne Perth Sydney	Rizhao Shanghai Shenyang Shenzhen Suzhou Tianjin Weifang Wuhan Wuhu Xi'an Xinxiang Yangzhou Yibin Yiyang Zhangzhou Zhanjiang Zhaoqing Zhengzhou Zibo	Mangalore Mumbai Mysore Nagpur Udaipur	MALAYSIA Johor Kuala Lumpur Kuching Penang Selangor
CHINA Anyang Beijing Changsha Chengdu Chongqing Dalian Deyang Dongguan Foshan Guangzhou Harbin Hangzhou Hong Kong Huhhot Kunshan Macau Maoming Mianyang Nanchang Ningbo Quanzhou	INDONESIA Jakarta Surabaya	JAPAN Chitose Eniwa Fukuoka Funabashi Hiroshima Kobe Kyoto Nagoya Osaka Saga Sapporo Sendai Tokyo	PHILIPPINES Manila
GEORGIA Tbilisi	KAZAKHSTAN Aktau Almaty Astana	RUSSIA Moscow	SINGAPORE
INDIA Ahmedabad Bangalore Chennai Cochin Hyderabad Jalandhar	Vietnam Hai Phong Hanoi Ho Chi Minh City	SOUTH KOREA Seoul	THAILAND Bangkok Krabi Pattaya

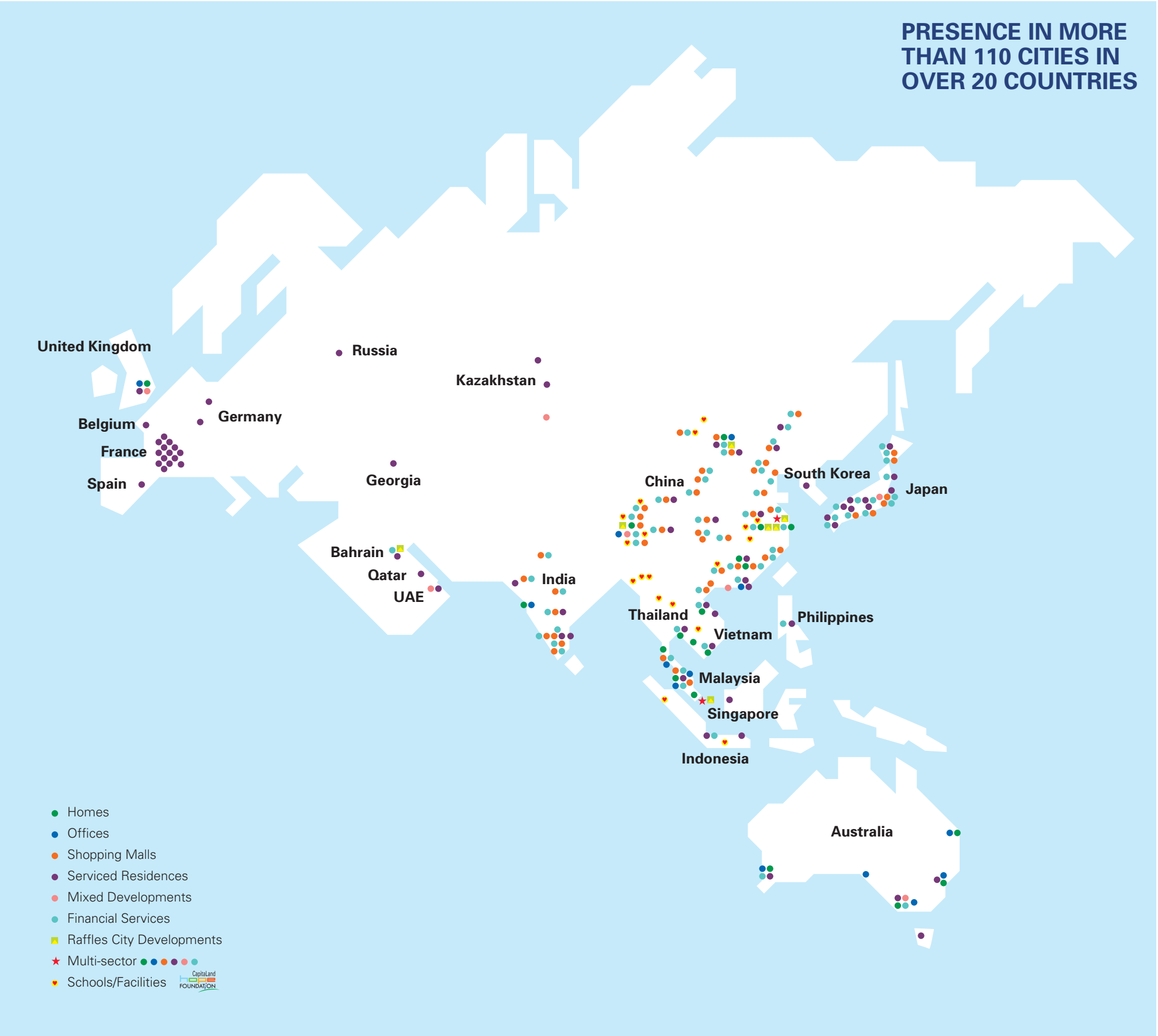
EUROPE

BELGIUM Brussels	Grenoble Lille Lyon Marseille Montpellier Nice Paris Strasbourg Toulouse	GERMANY Berlin Munich
FRANCE Aix-en-Provence Bordeaux Cannes Ferney-Voltaire Fontainebleau	SPAIN Barcelona	UNITED KINGDOM London

GULF COOPERATION COUNCIL (GCC) COUNTRIES

BAHRAIN Manama	QATAR Doha	UNITED ARAB EMIRATES Abu Dhabi Dubai
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PRESENCE IN MORE THAN 110 CITIES IN OVER 20 COUNTRIES





LIEW MUN LEONG
President & CEO

DR HU TSU TAU
Chairman

LETTER TO SHAREHOLDERS

Dear Shareholders,

We entered 2009 with an extremely pessimistic outlook for the world economy. Despite it being one of the worst crises the world has faced, we were able to pull through having learnt from past crises. Fortunately, the economy stabilised by mid-2009 on the back of internationally synchronised government interventions.

We prepared ourselves not to waste this crisis. We assessed that a strong balance sheet would be key to a company's survival if the worst case scenario arose and that there would be a "flight to quality" by investors and other stakeholders. We also recognised that it was an opportunity to increase the depth and breadth of the management bench team and maintain our record of delivering results.

We emerged ahead of the curve, having taken proactive steps to strengthen our balance sheet and enhance our financial flexibility. In February, CapitaLand pre-emptively launched a rights issue which raised S\$1.8 billion and was 1.22 times subscribed. This was followed by rights issues during the year by CapitaMall Trust, CapitaCommercial Trust and Australand. In July, we extended our debt maturity through a successful S\$1.2 billion, seven-year convertible bond issue, the largest convertible bond issue for an Asian-listed issuer in 2009. In November, we raised S\$2.8 billion from the listing of CapitaMalls Asia (CMA), our integrated shopping mall business. We retained a 65.5% stake in CMA post-listing. Despite the tightening of global liquidity, CapitaLand was able to lower its

net debt-to-equity ratio from 0.47 in end-2008 to 0.09 by end-2009.

With the funds raised, we are ready and well-prepared to focus on our next phase of growth. We deployed the proceeds of our S\$1.8 billion rights issue to our businesses in China and Vietnam, and the serviced residence and integrated shopping mall businesses. When the unique opportunity arose in the course of the year, we successfully acquired Orient Overseas Developments Limited in 2010. The US\$2.2 billion (approximately S\$3.1 billion) acquisition doubled our property portfolio in China to 2.8 million square metres (sqm), or approximately 36% of total assets. This marked a key milestone in our next phase of growth in China.

During the year, despite the difficult operating environment, we did not retrench any staff. Younger senior officers were given greater leadership responsibilities during the crisis. These officers had been nurtured through wide work exposure, job rotation and leadership development to take on greater and broader responsibilities within the Group.

In 2009, the Group achieved a profit after tax and minority interests (PATMI) of S\$1,053.0 million, despite the severe global economic downturn. This is the fourth consecutive year that CapitaLand has recorded net profit exceeding S\$1 billion. Excluding the impact of revaluations and impairments taken in FY2009, PATMI in FY2009 was S\$1,631.5 million, up 66% compared to FY2008 on the same basis.

We emerged ahead of the curve, having taken proactive steps to strengthen our balance sheet and enhance our financial flexibility.

LETTER TO SHAREHOLDERS

Revenue in FY2009 was S\$2,957.4 million, 7% higher than that achieved in FY2008. This was mainly due to higher revenue recognition for residential development projects in Singapore, China and Vietnam. Our overseas operations contributed 67% of total revenue. China and Australia continued to be the main contributors while the contribution from Vietnam has increased. Group Earnings before Interest and Tax (EBIT) for FY2009 was S\$1,549.0 million against the S\$2,213.5 million achieved in FY2008. The strong performance was driven by higher portfolio gains from CMA's listing, the sale of Raffles City Hangzhou to the Raffles City China Fund, and the divestment of two properties in the industrial sector in Singapore.

The Directors are pleased to propose a first and final dividend of 5.5 cents per share for FY2009. In view of CMA's successful listing, the Directors have decided to propose a special dividend of 5 cents per share for FY2009.

DELIVERING RESULTS ACROSS SECTORS

During the year, we sold about 5,000 residential units in our core markets, divested two properties in the industrial sector in Singapore with gains, reconstituted our Asian shopping mall portfolio for a listing, extended our dominant serviced residence presence internationally, and controlled our exposure to the uncertain Gulf region.

Residential

In Singapore, CapitaLand sold close to 600 units with total sales value of approximately S\$1.2 billion. We had

three very successful launches during the year – The Wharf Residence, The Interlace and Urban Suites. The Wharf Residence is about 93% sold to date. The Interlace, designed by renowned architectural firm Office for Metropolitan Architecture, saw strong response for the 360 units released under the first phase, with about 80% sold to date. We launched Urban Suites in December and about 90% of the project have been sold. To date, we have also sold 86% of the 175 apartments in The Orchard Residences – the residential component above ION Orchard. We obtained Temporary Occupation Permit for three developments with a total of 1,000 units, namely RiverGate, Scotts HighPark and The Metropolitan Condominium. Going forward, we would have a healthy pipeline of over 2,600 residential units.

In China, our key markets saw an increase in transaction volumes in response to an improvement in buyer confidence. Close to 2,400 units were sold in Beijing, Shanghai, Hangzhou, Ningbo, Foshan and Chengdu, triple the 782 units sold in 2008. The Group launched four residential projects – three in Foshan and one in Chengdu – and released new units from existing projects in Shanghai, Ningbo and Chengdu for sale. In June, we signed strategic co-operation agreements with two established Chinese banks namely Bank of China and Industrial and Commercial Bank of China for a credit limit allocation of up to RMB25 billion (S\$5 billion), which will help support the Group's growth plans across China. With a pipeline of approximately 20,000 residential units in China to develop, we plan to launch an average

LARGEST SINGAPORE IPO IN 16 YEARS

The initial public offering (IPO) of CapitaMalls Asia (CMA) created one of Asia's largest shopping mall developers, owners and managers by total property value and geographic reach. As at end-2009, CMA has a portfolio of 86 retail properties across 48 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$20.4 billion.

Despite the volatile economic landscape, the public offer and placement tranche were positively received by investors. The strong demand demonstrated a flow of funds ready and keen to invest in businesses that are unique, have a proven track record and provide exposure to the growing Asian consumer sector. With the listing, we were able to unlock value

for our shareholders while continuing to participate in the strong growth of the integrated shopping mall business by retaining a majority stake in CMA. CMA currently has a net cash position and low debt-to-equity ratio, providing the financial capacity to fund future growth and expansion.

The S\$2.8 billion IPO was Singapore's largest in 16 years and received FinanceAsia's "Best Singapore Deal" Achievement Award in 2009. As at end-2009, CMA's market capitalisation was approximately S\$9.9 billion, making it one of the 20 largest companies listed on the Singapore Exchange.



The Interlace, a 1,040-unit condominium, redefined the typography of residential developments in Singapore.

of 3,000 units annually. We deployed an additional S\$500 million to CapitaLand China Holdings to grow our residential business in China.

In Australia, the government's first-home owner grant stimulated housing demand, while buying interest recovered on the back of improved consumer sentiment and a positive economic outlook. For Australand, CapitaLand's listed subsidiary in Australia, 1,557 residential contracts with sales revenue of A\$588 million (S\$739 million) were booked in 2009. Australand has a residential development pipeline comprising 23,200 lots under management across land communities, housing and apartment developments.

In Vietnam, the Group's new growth market, the residential market is supported by a healthy demand for quality housing. We launched preview sales of the approximately 1,500-unit Mulberry Lane, our first residential project in Hanoi, and 451 units, or 82% of the units released, have been sold. Sales of The Vista in Ho Chi Minh City, our maiden residential project in Vietnam, are progressing well and construction is on schedule. We now have a development portfolio of over 4,000 residential units in Ho Chi Minh City and Hanoi. We have deployed S\$299 million to the Vietnam business to capitalise on further growth opportunities there.

In 2009, the Group achieved a profit after tax and minority interests of S\$1.05 billion, the fourth consecutive year of net profit exceeding S\$1 billion.

LETTER TO SHAREHOLDERS



Mr Hsieh Fu Hua, then-CEO of the Singapore Exchange, with Dr Hu Tsu Tau, Chairman of CapitaLand Group, and Mr Liew Mun Leong, President & CEO of CapitaLand Group, at the listing of CapitaMalls Asia.

Commercial

In Singapore, the Group is one of the largest owners/managers of office properties in the Downtown Core area. We had successfully made timely divestments at the peak of the cycle two years ago, yielding attractive gains. We have since refrained from bidding aggressively for commercial sites. In 2009, despite challenging market conditions, CapitaLand's portfolio of Grade A offices in Singapore, held through CapitaCommercial Trust, delivered a resilient performance. Net property income increased 29% and committed occupancy rates surpassed the industry average.

As part of our active portfolio management strategy, we divested two properties in the industrial sector in Singapore and an office investment in Malaysia. The sales proceeds from these divestments will be recycled to reconstitute our commercial property portfolio.

Retail

Listed in November 2009, CMA is one of Asia's largest shopping mall developers, owners and managers with 86 retail properties across 48 cities in Singapore, China, Malaysia, Japan and India as at end-2009.

The successful opening of ION Orchard, with its spectacular frontage and cutting-edge designs and concepts, is an outstanding achievement which has

firmly entrenched CMA's leadership position in the Asian retail scene. Strategically located in the heart of Singapore's premier Orchard Road, ION Orchard, a 640,000-square-foot mall, is more than 97% occupied and 70% of its tenants are new-to-market brands. Since opening in July, ION Orchard has become the hottest, "must-visit" retail destination in Singapore, and over 4.5 million people visit the mall every month.

In China, CMA is one of the largest shopping mall players, with a gross floor area (GFA) of approximately 43.4 million sq ft across 33 cities as at end-2009. We opened nine malls in 2009, bringing the total number of operational malls in China to 33, with another 17 malls slated to open over the next few years as at end-2009. Our extensive geographical footprint positions us to ride on the sustained growth in the respective cities where there is an increasing urban population and growing middle income segment.

In India, CMA's joint ventures with Advance India Projects Limited and the Prestige Group progressed well. Forum Value Mall, our first mall there, opened in Bangalore in June, and has about 94% committed leases. Another eight malls are being developed and will tap on the strong growth for organised retail.

Serviced Residences

During the year, The Ascott Limited, our wholly-owned serviced residence business unit, continued to strengthen its global leadership. It opened 10 properties in China, Japan, Singapore, France, Georgia and Germany, and secured seven management contracts in China, Malaysia, Vietnam and France.

CapitaLand has deployed additional funds to expand Ascott's business. In addition to more management contracts and investment opportunities as part of its next phase of growth, Ascott will also upgrade its hospitality capabilities and properties. It expects to open about 6,000 apartment units in 29 new properties worldwide by 2013.

Integrated Developments

In China, we launched Raffles City Ningbo, our fifth Raffles City development in the country after Shanghai, Beijing, Chengdu and Hangzhou. Raffles City Beijing,

which comprises a shopping mall, Grade A office tower and Ascott Raffles City Beijing, opened in 2009. Construction is in progress for Raffles City Chengdu and Raffles City Ningbo. We target to grow the number of Raffles City developments in China to 10 in the next five years.

In Abu Dhabi, construction for the 868-unit Rihan Heights is on schedule with about 21% work completed as at end-2009. The residential project is on track for completion by 1H2011. Rihan Heights is phase one of the 1.4 million-sqm Arzanah integrated development, which offers an active urban lifestyle for its residents and the community at large. In Bahrain, we took a cautious position early in the year. We will maintain flexibility in moving forward our integrated development project in Bahrain, reviewing the various options in accordance with market conditions.

CELEBRATING 15 YEARS IN CHINA

In 2009, CapitaLand celebrated the 15th anniversary of the Group's entry into China. CapitaLand first invested in China in 1994, the same year that China started its housing reforms, and has since grown into one of its top foreign developers. CapitaLand focused on Shanghai when it first entered China. As at end-2009, our portfolio is worth over S\$20 billion (on a when-completed basis), comprising over 100 projects in 40 cities across the country, in both key gateway cities such as Beijing, Shanghai and Guangzhou, as well as other key Chinese cities including Chengdu, Hangzhou, Ningbo and Shenzhen.

Since 1994, CapitaLand has built more than 11,000 residential units in the coastal cities of China like Shanghai, Beijing and Guangzhou. It currently has another 20,000 more units in the pipeline in cities such as Hangzhou, Ningbo, Foshan and Chengdu. CapitaLand's residential strategy is to build mass to high-end residential units tailored for the lifestyles of the local residents.

From seven shopping malls in seven Chinese cities in 2005, CapitaLand's integrated shopping mall business, CapitaMalls Asia (CMA), is now one of China's largest shopping mall players. As at end-2009, CMA has 50 malls in operation or under development

across 33 cities with a total GFA of approximately 43.4 million sq ft.

CapitaLand is a developer of quality commercial and integrated developments in China. CapitaLand introduced its highly successful Raffles City concept to China in 2003 with the opening of Raffles City Shanghai. CapitaLand has since introduced the Raffles City brand to Beijing, Chengdu, Hangzhou and Ningbo, and more are being planned.

CapitaLand first entered the serviced residence market in China over 10 years ago. Since then, it has established its leadership position as the largest international serviced residence owner-operator in China with about 5,000 units in 26 properties across 12 cities, including Beijing, Guangzhou, Shanghai and Tianjin.

CapitaLand has originated and managed a portfolio of China-focused funds covering the residential, retail, business park and serviced residence sectors. The Group has also listed CapitaRetail China Trust, Singapore's first China shopping mall REIT.

As a long-term investor in China, CapitaLand plans to continue growing its business in the country.

Over the last 10 years, CapitaLand has grown from a Singapore-centric company into an international real estate company with group managed real estate assets of S\$47.7 billion.

Financial Services/ Real Estate Investment Trusts

CapitaLand is one of Asia's largest real estate investment trust (REIT) and real estate fund managers, managing five REITs and 15 private equity funds with assets under management of more than S\$25 billion. In 2009, our sponsored REITs achieved solid distribution growth, contributing distributions of S\$167.8 million to the Group in 2009, an increase of 28%.

Two private equity funds – CapitaLand China Residential Fund and Mezzo Capital – successfully matured in 2009 with returns that outperformed their respective targets. The sale of Raffles City Hangzhou to the US\$1 billion (about S\$1.4 billion) Raffles City China Fund was completed in October 2009, bringing the total number of assets in the fund to four. We will continue to explore value-adding transactions for our REITs and private equity real estate funds, with a continued focus in the Asia-Pacific region.

CORPORATE SOCIAL RESPONSIBILITY

CapitaLand is committed to be a good corporate citizen. We strive to be an environmentally-sustainable real estate developer and aim to be at the forefront of the industry in terms of green buildings and environmental awareness.

In 2009, CapitaLand was recognised as a corporate sustainability leader. We are a component of the Dow Jones Sustainability Asia Pacific Index, and the only Singapore company in the Sustainability Yearbook 2009. CapitaCommercial Trust, our commercial REIT, was included in the FTSE4Good Index Series in recognition of its proactive efforts towards corporate and environmental responsibility and sustainability.

The Group has actively contributed to the communities which we operate in. Through our Green for Hope creative recycling campaign in Singapore, CapitaLand Hope Foundation, our philanthropic arm, donated over S\$1 million to the welfare funds of 154 Singapore primary schools. In China, CapitaLand pledged to build

six CapitaLand Hope Schools in Guangdong Province, Zhejiang Province and Inner Mongolia, bringing the total in the country to 15 schools. To date, seven schools have opened in the Guangdong, Sichuan and Yunnan provinces.

CapitaLand is also honoured to pledge a conservation donation to support the panda cubs Singapore will receive from China. The 10-year collaborative programme will raise cultural exchange and understanding between Singapore and China and further strengthen the strong relationship between the two countries.

LOOKING AHEAD

CapitaLand is known to the market as being “ahead of the curve”. We have an even stronger balance sheet and have increased the depth and breadth of our leadership position in all sectors. Our strategy will ensure that we are a leading foreign real estate developer in China and that we continue to be one of Asia's largest developers, owners and managers of shopping malls through CMA. Ascott will strengthen its position as the world's largest international serviced residence owner-operator, and our financial services business will remain a leading Asia-based REIT and real estate fund manager.

“Building People” is the cornerstone of our success. We stepped up our training when business slowed down and prepared our staff for the next phase of growth. At the start of the year, in light of the deteriorating global financial and economic conditions, staff had taken a salary reduction so that there was no retrenchment. In December, CapitaLand was one of the first few companies to fully restore executive and management salaries.

CapitaLand Group won over 100 awards and accolades in 2009. We were recognised for our good corporate governance, disclosure and transparency, investor relations and corporate sustainability. We are honoured to be voted ‘Best Overall Managed Property Company in Asia’ in Euromoney's Asia Poll 2010. As good corporate governance principles are fundamental to building a prosperous and lasting company, we set up



Construction is in progress for Raffles City Chengdu, one of CapitaLand's five Raffles City developments in China.

the Operations Compliance Unit. The unit formulates standards and ensures the right business ethics and conduct throughout the Group.

While the economy has recovered in recent months, uncertainty remains in the economic outlook. On the other hand, opportunities will arise in our key markets in the course of the year. We intend to grow our China business to 45% of our total business in the next three to five years. Similarly for Vietnam, we plan to grow from the current 1% to 10% of our total business. We have formed the CapitaLand China Executive Committee and CapitaLand Vietnam Executive Committee to better coordinate and align our investments, operations, branding and resources in these two countries.

CapitaLand celebrates its tenth anniversary in November 2010. Over the last 10 years, CapitaLand has grown from a Singapore-centric company into an international real estate company. From a market capitalisation of S\$8.9 billion in November 2000, the CapitaLand Group now comprises eight listed companies with a total market capitalisation of S\$40.3 billion as at end-2009. The Group manages S\$47.7 billion of real estate assets, firmly establishing our position as one of Asia's largest real estate companies. We will continue to focus on growing assets under management while maintaining a conservative and proactive approach to capital management.

Since inception, we have distributed S\$2.6 billion to our loyal shareholders. Going forward, we will continue to create sustainable shareholder value and deliver quality products and services, so as to build a world-class and lasting real estate company.

We welcome Dr Fu Yuning and Mr John Powell Morschel to our Board and look forward to their counsel and contribution in the years ahead. We want to acknowledge the invaluable contributions from outgoing directors Mr Lim Chin Beng and Dr Victor Fung Kwok King who will not be seeking re-appointment and re-election respectively at the forthcoming annual general meeting. On behalf of management and the Board of Directors, we wish to thank all staff, shareholders, business partners and associates for their continued commitment and support of the CapitaLand Group.

DR HU TSU TAU
Chairman

LIEW MUN LEONG
President & CEO

26 February 2010

BOARD OF DIRECTORS



Standing from left to right
JOHN POWELL MORSCHER
Director

DR VICTOR FUNG KWOK KING
Director

JAMES KOH CHER SIANG
Director

LIM CHIN BENG
Director

RICHARD EDWARD HALE
Director

JACKSON PETER TAI
Director

**PROFESSOR KENNETH
STUART COURTIS**
Director

Seated from left to right
ARFAT PANNIR SELVAM
Director

PETER SEAH LIM HUAT
Deputy Chairman

DR HU TSU TAU
Chairman

LIEW MUN LEONG
President & CEO

Not in picture
DR FU YUNING
Director

BOARD OF DIRECTORS

DR HU TSU TAU, Chairman

Dr Hu Tsu Tau, an Independent Non-Executive Director, joined the CapitaLand Board on 13 April 2004 and was elected Chairman on the same day. He was last re-appointed as Director at CapitaLand's Annual General Meeting on 23 April 2009. He is also Chairman of CapitaLand's Investment Committee.

Dr Hu is presently a Member of the Board of the Government of Singapore Investment Corporation Pte Ltd (GIC) and Chairman of Fullerton Financial Holdings Pte Ltd. He was Chairman of GIC Real Estate Pte Ltd.

From 1985 to 2001, he was a Cabinet Minister whose portfolio included the Trade and Industry, Health and Finance ministries. Prior to his ministerial appointment, Dr Hu was Managing Director of the Monetary Authority of Singapore (MAS) and GIC from 1983 to 1984. Before his appointments in MAS and GIC, he was with the Shell Group of companies from 1960, and his last position in this global company was as Chairman and Chief Executive of the Shell Group of companies in Singapore.

Dr Hu is a graduate of the University of California, USA with a Bachelor of Science in Chemistry. He also holds a Postgraduate Diploma (Chemical Engineering) and a Doctorate in Chemical Engineering, both from the University of Birmingham, UK.

PETER SEAH LIM HUAT, Deputy Chairman

Mr Peter Seah, an Independent Non-Executive Director, joined the CapitaLand Board on 18 December 2001 and was appointed as Deputy Chairman on 1 January 2009. Mr Seah was last re-elected as Director at CapitaLand's Annual General Meeting on 27 April 2007. He is also Chairman of CapitaLand's Finance and Budget Committee and a Member of CapitaLand's Executive Resource and Compensation Committee and Nominating Committee.

Mr Seah is presently the Chairman of SembCorp Industries Ltd, Singapore Technologies Engineering Ltd (both listed on the SGX-ST) and LaSalle Foundation Limited. He is also Deputy Chairman of Singapore Technologies Telemedia Pte Ltd and Global Crossing Limited. Mr Seah is a Director of STATS ChipPAC Ltd, StarHub Ltd, DBS Group Holdings Ltd (all listed on the SGX-ST), as well as DBS Bank Ltd.

Mr Seah also sits on the Board of the Government of Singapore Investment Corporation Pte Ltd and is a Member of S Rajaratnam School of International Studies.

Mr Seah was President & CEO of Singapore Technologies Pte Ltd. Prior to the above appointment, Mr Seah was with Overseas Union Bank (OUB) from 1977 and became

its President & CEO in 1991. Mr Seah retired as Vice Chairman and CEO from OUB on 30 September 2001. Mr Seah was also the Chairman of Singapore Computer Systems Limited (listed on the SGX-ST), President Commissioner of PT Indosat Tbk (listed on the Stock Exchange of Indonesia), and Director of Chartered Semiconductor Manufacturing Ltd (listed on the SGX-ST) and Siam Commercial Bank Public Company Limited (listed on the Stock Exchange of Thailand).

Mr Seah is a graduate of the University of Singapore with an Honours Degree in Business Administration.

LIEW MUN LEONG, President & CEO

Mr Liew Mun Leong is President and CEO of CapitaLand Group. He joined the Board of Pidemco Land as Director on 1 January 1997. Pidemco Land merged with DBS Land to form CapitaLand in November 2000. Mr Liew continued to serve on the CapitaLand Board and was last re-elected as Director at CapitaLand's Annual General Meeting on 27 April 2007. He also serves as Member of CapitaLand's Investment Committee, Nominating Committee, Corporate Disclosure Committee and Finance and Budget Committee.

Mr Liew is Chairman of CapitaMalls Asia Limited (listed on the SGX-ST), CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Financial Limited and CapitaLand ILEC Pte. Ltd. He is Deputy Chairman of The Ascott Limited as well as the Deputy Chairman of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST), CapitaCommercial Trust Management Limited (the manager of CapitaCommercial Trust listed on the SGX-ST), CapitaRetail China Trust Management Limited (the manager of CapitaRetail China Trust listed on the SGX-ST) and Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust listed on the SGX-ST). Mr Liew is also Chairman of CapitaLand China Executive Committee and CapitaLand Vietnam Executive Committee. The committees co-ordinate and align CapitaLand's investments, operations, branding and resources in China and Vietnam respectively. He is also a Director of CapitaLand Hope Foundation, the Group's philanthropic arm.

Mr Liew is presently Chairman of Changi Airport Group (Singapore) Pte Ltd and a Director of Singapore Exchange Limited (listed on the SGX-ST).

In 2006, Mr Liew was named Outstanding CEO of the Year in the Singapore Business Awards. In 2007, he was conferred the CEO of the Year award (for firms with market

value of S\$500 million or more) in The Business Times' Singapore Corporate Awards. In 2008, Mr Liew was named Asia's Best Executive of 2008 (Singapore) by Asiamoney and Best CEO in Asia (Property) by Institutional Investor.

Mr Liew graduated from the University of Singapore with a Civil Engineering degree and is a registered professional civil engineer.

LIM CHIN BENG, Director

Mr Lim Chin Beng, an Independent Non-Executive Director, joined the Board of Pidemco Land as Director on 23 February 1998. Pidemco Land merged with DBS Land to form CapitaLand in November 2000. Mr Lim continued to serve on the CapitaLand Board and was last re-appointed as Director at CapitaLand's Annual General Meeting on 23 April 2009. He is also Chairman of CapitaLand's Executive Resource and Compensation Committee and Nominating Committee.

Mr Lim is presently Chairman of The Ascott Limited and CapitaLand Hope Foundation, the CapitaLand Group's philanthropic arm. He is also Chairman of Changi Airport International Pte Ltd and a Director of StarHub Ltd (listed on the SGX-ST).

Mr Lim has 30 years of experience in the aviation industry beginning with the Malaysian Airlines in the 1960s. In the 1970s, he helped start up Singapore Airlines and was its Managing Director from 1972 to 1982. Mr Lim retired as Deputy Chairman of Singapore Airlines in 1996. He was Chairman of the Singapore Tourist Promotion Board from 1985 to 1989. Between 1991 and 1997, Mr Lim was Singapore's Ambassador to Japan. In 2003, Mr Lim started Valuair, Singapore's first low cost airline, which subsequently merged with Jetstar Asia in 2005. Mr Lim retired as a Member of the Public Service Commission in December 2008, after serving for 11 years in the Commission. Mr Lim was formerly Chairman of Singapore Airshow & Events Pte Ltd and Singapore Changi Airport Enterprise Pte Ltd, and a Director of Pontiac Land Pte Ltd.

In recognition of his significant contribution to the airline and tourism industries, Mr Lim was awarded the Businessman of the Year Award in 1986 and the Outstanding Contribution to Tourism Award in 1990. In 1998, Mr Lim was inducted as a Legend into the Aviation Week & Space Technology Laureates Hall of Fame.

In 2004, Mr Lim was conferred the Grand Gordon of the Order of the Rising Sun (Kyokujitu Daijusho) by the Emperor of Japan and in 2007, he was awarded the Public Service Star by the Government of Singapore.

Mr Lim is a graduate of the University of Malaya with a Bachelor of Arts (Honours) in Economics. He also attended an Advanced Management Program at the Harvard Business School, USA in 1973.

JACKSON PETER TAI, Director

Mr Jackson Tai, an Independent Non-Executive Director, joined the CapitaLand Board on 20 November 2000 and was last re-elected as Director at CapitaLand's Annual General Meeting on 29 April 2008. He is a Member of CapitaLand's Investment Committee and Finance and Budget Committee.

Mr Tai is a Supervisory Board Member of ING Groep NV in the Netherlands and Director of MasterCard Incorporated and Brookstone, Inc. in the USA. Mr Tai is a Director of Cassis Worldwide Private Limited. He is also a Member of the Bloomberg L.P. Asia-Pacific Advisory Board.

Mr Tai was formerly the Vice Chairman and CEO of DBS Group Holdings Ltd (listed on the SGX-ST) and DBS Bank Ltd. Prior to joining DBS Bank Ltd, Mr Tai was a senior regional manager for J.P. Morgan & Co. Incorporated in New York, Tokyo, and San Francisco, and a Managing Director of the Investment Banking Division.

Mr Tai is a graduate of Rensselaer Polytechnic Institute, USA, with a Bachelor of Science in Management. He also holds a Master of Business Administration from Harvard University, USA.

RICHARD EDWARD HALE, Director

Mr Richard Hale, an Independent Non-Executive Director, joined the CapitaLand Board on 10 February 2003 and was last re-appointed as Director at CapitaLand's Annual General Meeting on 23 April 2009. He is also Chairman of CapitaLand's Audit Committee and a Member of CapitaLand's Risk Committee.

Mr Hale is presently Chairman of CapitaCommercial Trust Management Limited (the manager of CapitaCommercial Trust listed on the SGX-ST). He is also Deputy Chairman of Sembcorp Marine Ltd and a Director of Sembcorp Industries Ltd (both listed on the SGX-ST). He is a Fellow of the Singapore Institute of Directors.

Mr Hale started his career with The Hongkong and Shanghai Banking Corporation Ltd in October 1958 and served in London, Paris, Hong Kong, Germany, Malaysia, Japan and Singapore before retiring from the Bank as CEO Singapore and Director in March 1995. From July 1995 to September 1997, he acted as advisor on environmental matters for HSBC Holdings plc London, based in Singapore. Mr Hale was Executive Chairman of SNP Corporation Ltd

BOARD OF DIRECTORS

from April 1999 to April 2000, and also served as Chairman of the Singapore International Chamber of Commerce for 1993 and 1994. He was formerly a Governor of United World College of South East Asia, Singapore and a Director of The Ascott Group Limited (formerly listed on the SGX-ST and now known as The Ascott Limited), Wheelock Properties (Singapore) Limited (listed on the SGX-ST) and BW Trust Management Pte Ltd.

Mr Hale was educated at Radley College, Abingdon, UK. He is a Fellow of the Chartered Institute of Bankers, London.

DR VICTOR FUNG KWOK KING, Director

Dr Victor Fung, an Independent Non-Executive Director, joined the CapitaLand Board on 5 May 2005 and was last re-elected as Director at CapitaLand's Annual General Meeting on 29 April 2008.

Dr Fung is presently the Group Chairman of the Li & Fung Group of companies. He is Chairman of the International Chamber of Commerce and the Greater Pearl River Delta Business Council and the Hong Kong – Japan Business Co-operation Committee. Dr Fung is a member of the Chinese People's Political Consultative Conference and became a vice chairman of China Centre for International Economic Exchanges since March 2009. He is also a member of the Commission on Strategic Development of the Hong Kong Government. Dr Fung is an Independent Non-Executive Director of Bank of China (Hong Kong) Limited in Hong Kong and Baosteel Group Corporation in the People's Republic of China. In 2003, the Hong Kong Government awarded Dr Fung the Gold Bauhinia Star for distinguished service to the community.

Dr Fung holds Bachelor and Master Degrees in Electrical Engineering from the Massachusetts Institute of Technology, and a Doctorate in Business Economics from Harvard University, USA.

JAMES KOH CHER SIANG, Director

Mr James Koh, an Independent Non-Executive Director, joined the CapitaLand Board on 1 July 2005 and was last re-elected as Director at CapitaLand's Annual General Meeting on 23 April 2009. He is Chairman of CapitaLand's Risk Committee and Corporate Disclosure Committee; and a Member of CapitaLand's Audit Committee.

Mr Koh is Chairman of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST) and Chairman of its Audit Committee and Corporate Disclosure Committee. He is also a Director of CapitaLand Hope Foundation, the CapitaLand Group's philanthropic arm.

Mr Koh is presently Chairman of Housing & Development Board, Singapore Deposit Insurance Corporation Limited, Governing Board for the Mechanobiology Research Centre of Excellence and Singapore Island Country Club. He sits on the Boards of Singapore Airlines Limited, UOL Group Limited and Pan Pacific Hotels Group Limited (all listed on the SGX-ST). He is also a Director of Singapore Cooperation Enterprise.

From 1997 to 2005, Mr Koh served as CEO of the Inland Revenue Authority of Singapore. In that capacity, he was both Commissioner of Inland Revenue and Commissioner of Charities. Prior to these appointments, Mr Koh was the Permanent Secretary in the Ministries of National Development, Community Development and Education. Mr Koh has substantial experience in public administration having served in the Ministries of Finance, National Development, Community Development, Education and the Prime Minister's Office. He was awarded the Public Administration Medal (Gold) in 1983 and the Meritorious Service Medal in 2002.

Mr Koh is a graduate of Oxford University, UK with a Bachelor of Arts (Honours) and a Master of Arts in Philosophy, Political Science and Economics. He also holds a Master in Public Administration from Harvard University, USA.

ARFAT PANNIR SELVAM, Director

Mrs Arfat Selvam, an Independent Non-Executive Director, joined the CapitaLand Board on 2 January 2006 and was last re-elected as Director at CapitaLand's Annual General Meeting on 23 April 2009. She is a Member of CapitaLand's Audit Committee, Corporate Disclosure Committee, Nominating Committee and Risk Committee.

Mrs Selvam is presently the Managing Director of Arfat Selvam Alliance LLC, a corporate finance law practice. With over 40 years in legal practice as a corporate finance lawyer, Mrs Selvam has been involved in some landmark Singapore acquisition transactions.

Mrs Selvam is also a Director of CapitaMalls Asia Limited, which is listed on SGX-ST. She was the President of the Law Society of Singapore in 2003.

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

PROFESSOR KENNETH STUART COURTIS, Director

Professor Kenneth Courtis, an Independent Non-Executive Director, joined the CapitaLand Board on 14 February 2007 and was re-elected as Director at CapitaLand's Annual

General Meeting on 23 April 2009. He is a Member of CapitaLand's Finance and Budget Committee and Investment Committee.

Professor Courtis is Founding Chairman of Next Capital Partners. He was formerly Managing Director and Vice Chairman of Goldman Sachs Asia, Managing Director, Chief Economist and Strategist of Deutsche Bank Group Asia, and a Director of CNOOC Ltd, Hong Kong. He is presently a Director of Noble Group Limited (listed on the SGX-ST).

Professor Courtis is one of the world's leading investment bankers and analysts of Asian economies. He has led a number of large, international corporate transactions centred on Asia, and pioneered a number of investment banking areas across the region. Widely sought after for his knowledge of how global market forces, financial and political developments, and corporate strategy interact, Professor Courtis advises major clients throughout the Asia Pacific region, as well as in Europe and North America.

Professor Courtis also works closely with central banks, ministries of finance, and heads of government throughout Asia, and has been called on several occasions to advise the President of the USA, and the heads of government of several countries in Europe, North America, Asia, and the Middle East.

Professor Courtis has lectured at Keio and Tokyo Universities, Japan's two most prestigious educational institutions; l'Institut d'Etudes Politiques, Paris; and in universities in North America. He is a member of the boards, advisory councils, and trustee of a number of international firms, universities, and research institutes in Asia, Europe and North America.

Professor Courtis received his Bachelor degree from Glendon College in Toronto and a Master in International Relations from Sussex University in the UK. He received a Master of Business Administration from INSEAD (the European Institute of Business Administration), and a Doctorate with honours and high distinction, from l'Institut d'Etudes Politiques, Paris.

DR FU YUNING, Director

Dr Fu Yuning, an Independent Non-Executive Director, joined the CapitaLand Board on 27 July 2009. Dr Fu is also a Director of CapitaMalls Asia Limited (listed on the SGX-ST).

Dr Fu is presently a Director and President of China Merchants Group Limited, a position he has held since April 2000. He is concurrently Chairman of China Merchants Holdings (International) Company Limited (listed on the Hong Kong Stock Exchange),

China International Marine Containers (Group) Limited (listed on the Shenzhen Stock Exchange) and China Merchants Energy Shipping Company Limited (listed on the Shanghai Stock Exchange). Dr Fu is also an Independent Non-Executive Director of Integrated Distribution Services Group Limited and Sino Land Company Limited (both listed on the Hong Kong Stock Exchange) and a Director of China Merchants Bank Co., Ltd. (listed on the Shanghai Stock Exchange).

Dr Fu holds directorships in some public associations such as General Committee Member of the Hong Kong General Chamber of Commerce, Director of Hong Kong Port Development Council, Member of the Advisory Committee of the Securities and Futures Commission (SFC), HKSAR and Member of Textron's International Advisory Council in USA. He is also Chairman of China Chapter of the Global Logistics Institute.

Dr Fu was President and Managing Director of China Nanshan Development (Group) Incorporation. From February 1999 to July 2000, he was Chairman of Union Bank of Hong Kong Limited. From 2001 to 2003, he was an Independent Director of Jurong Port Pte. Limited in Singapore.

Dr Fu graduated from Dalian Institute of Technology in China with a degree in Port and Waterway Engineering and obtained his Ph.D. Degree in Mechanical Engineering from Brunel University in the UK, where he also worked as a Post-Doctorate research fellow briefly afterwards.

JOHN POWELL MORSCHER, Director

Mr John Morschel, an Independent Non-Executive Director, joined the CapitaLand Board on 1 February 2010.

Mr Morschel is presently Chairman of Australia and New Zealand Banking Group Limited (listed on the Australian Securities Exchange and New Zealand Stock Exchange) and a Director of Singapore Telecommunications Limited (listed on the SGX-ST) and Tenix Group Pty. Ltd. Prior to his present appointment, he was an Executive Director and then Managing Director and CEO of Lend Lease Group LLC (listed on the Australian Securities Exchange). Mr Morschel was Chairman of Comalco Ltd, CSR Limited, Leighton Holdings Limited and Rinker Group Limited. He was also a Director of Westpac Banking Corporation, Cable & Wireless Optus Ltd, Gifford Communications Ltd, Rio Tinto plc and Rio Tinto Limited.

Mr Morschel holds a Diploma in Quantity Surveying from The University of New South Wales. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.

COUNCIL OF CEOS

Seated from left to right

OLIVIER LIM

Group Chief Financial Officer,
CapitaLand Limited

JENNIE CHUA

Chief Corporate Officer,
CapitaLand Limited

LIEW MUN LEONG

President & CEO,
CapitaLand Group

PATRICIA CHIA

CEO, CapitaLand Residential
Singapore Pte Ltd

WEN KHAI MENG

Chief Investment Officer,
CapitaLand Limited

Standing from left to right

SIMON HO

CEO, CapitaMall Trust
Management Limited

CHAN SAY YEONG

CEO, Quill Capita
Management Sdn Bhd

EE CHEE HONG

CEO, CapitaLand
Commercial Limited

CHONG KEE HIONG

CEO, Ascott Residence Trust
Management Limited

LIM BENG CHEE

CEO, CapitaMalls Asia
Limited

LIM MING YAN

CEO, The Ascott Limited

LUI CHONG CHEE

CEO, CapitaLand Financial
Limited

WONG HEANG FINE

CEO, CapitaLand ILEC
Pte. Ltd.

JASON LEOW

CEO, CapitaLand China
Holdings Pte Ltd

CHEN LIAN PANG

CEO (Southeast Asia),
CapitaLand Commercial
Limited

LYNETTE LEONG

CEO, CapitaCommercial
Trust Management Limited

BOB JOHNSTON

Managing Director & CEO,
Australand Property Group

Not in picture

WEE HUI KAN

CEO, CapitaRetail China
Trust Management Limited



CORPORATE OFFICE

LIEW MUN LEONG President & CEO

Mr Liew Mun Leong is President and CEO of CapitaLand Group. Mr Liew is Chairman of CapitaMalls Asia Limited, CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Financial Limited and CapitaLand ILEC Pte. Ltd. He is Deputy Chairman of The Ascott Limited as well as the Deputy Chairman of CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, CapitaRetail China Trust Management Limited and Ascott Residence Trust Management Limited.

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

Mr Liew is presently Chairman of Changi Airport Group (Singapore) Pte Ltd and a Director of Singapore Exchange Limited.

In 2006, Mr Liew was named Outstanding CEO of the Year in the Singapore Business Awards. In 2007, he was conferred the CEO of the Year award (for firms

with market value of S\$500 million or more) in The Business Times' Singapore Corporate Awards. In 2008, Mr Liew was named Asia's Best Executive of 2008 (Singapore) by Asiamoney and Best CEO in Asia (Property) by Institutional Investor.

Mr Liew graduated from the University of Singapore with a Civil Engineering degree and is a registered professional civil engineer.

WEN KHAI MENG Chief Investment Officer

Mr Wen Khai Meng is the Chief Investment Officer of CapitaLand Limited. He is also a Non-Executive Director of CapitaCommercial Trust Management Limited,

Ascott Residence Trust Management Limited and Quill Capita Management Sdn Bhd.

Prior to this, Mr Wen has held several senior appointments within the Group including CEO of CapitaLand Commercial Limited, CEO of CapitaLand Financial Limited and Deputy Chief Financial Officer of CapitaLand Limited. Before joining the Group, Mr Wen was with the Ministry of National Development.

Mr Wen holds a Master of Business Administration and a Master of Science in Construction Engineering from the National University of Singapore, as well as a Bachelor of Engineering (First Class Honours) from the University of Auckland, New Zealand.

COUNCIL OF CEOS

OLIVIER LIM

Group Chief Financial Officer

Mr Olivier Lim is the Group Chief Financial Officer of CapitaLand Limited. He is also a Non-Executive Director of CapitaMalls Asia Limited, CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, Australand Holdings Limited, Raffles Medical Group Ltd, and a member of the Board of both Sentosa Development Corporation and Accounting and Corporate Regulatory Authority.

Prior to joining CapitaLand Limited, he was Director and Head of the Real Estate Unit, Corporate Banking in Citibank Singapore. He has more than 20 years of work experience in diverse areas including corporate banking, investment banking, corporate finance and real estate financial products.

In 2007, Mr Lim was named Chief Financial Officer of the Year (for firms with market value of S\$500 million or more) in The Business Times' Singapore Corporate Awards. In 2009, he was awarded Best Investor Relations by a CFO by IR Magazine in its South East Asia Awards.

Mr Lim holds a First Class Honours degree in Civil Engineering from the Imperial College of Science, Technology and Medicine, UK.

JENNIE CHUA

Chief Corporate Officer

Ms Jennie Chua is the Chief Corporate Officer of CapitaLand Limited. She is a board member of CapitaMalls Asia Limited, CapitaLand ILEC Pte. Ltd., The Ascott Limited and Ascott Residence Trust Management Limited.

She is Chairman of Singapore International Chamber of Commerce, Alexandra Health/Khoo Teck Puat Hospital, Sentosa Cove, Singapore Film Commission and The Arts House as well as Deputy Chairman of Temasek Foundation. She also serves on Singapore's Pro-Enterprise Panel and the Board of Trustees of Nanyang Technological University, Singapore.

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

RESIDENTIAL

PATRICIA CHIA

CEO, CapitaLand Residential Singapore Pte Ltd

Ms Patricia Chia is the CEO of CapitaLand Residential Singapore Pte Ltd. She also sits on the Boards of a number of subsidiaries and joint venture companies. She has over 30 years of experience in project development and management, general management, and human resource and development.

Ms Chia has a Master degree in Construction Management from the National University of Singapore and graduated with First Class Honours in Civil Engineering from the University of Auckland, New Zealand. She attended the General Management Program at Harvard Business School in 2002.

BOB JOHNSTON

Managing Director & CEO, Australand Property Group

Mr Bob Johnston is the Managing Director and CEO of Australand Property Group. He joined Australand in August 2007 and has 20 years of experience in the property industry. Prior to joining Australand, Mr Johnston held senior positions within the Lend Lease Group, including Global CEO of Bovis Lend Lease, Chief Operating Officer of Lend Lease's Real Estate Investment Management Business in the US and CEO of Bovis Lend Lease in the Asia Pacific region.

Mr Johnston holds a First Class Honours degree in Electrical Engineering from James Cook University, Australia.

JASON LEOW

CEO, CapitaLand China Holdings Limited

Mr Jason Leow is the CEO of CapitaLand China Holdings Pte Ltd. Mr Leow has been with the CapitaLand Group from 1994 and has over 15 years of experience in China. He has held several appointments within the CapitaLand Group, including Deputy CEO of CapitaLand China Holdings, based in Beijing.

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

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

COMMERCIAL/ RETAIL/ FINANCIAL SERVICES

EE CHEE HONG

CEO, CapitaLand Commercial Limited

Mr Ee Chee Hong is the CEO of CapitaLand Commercial Limited. He is concurrently the Managing Director of Strategic Corporate Development of CapitaLand Limited and a board member of Australand Holdings Limited. He is also a Non-Executive Director of CapitaCommercial Trust Management Limited and an Alternate Director of Quill Capita Management Sdn Bhd.

Mr Ee has held several appointments within the Group including Managing Director of Financial Structuring Support for CapitaLand Financial Limited, CEO (China) for The Ascott Limited and CEO of Ascott Serviced Residence (China) Fund Management Limited. Before this, he held senior positions at the Singapore Embassy in Japan and Singapore's Economic Development Board.

Mr Ee holds a Master degree in Engineering from the Graduate School of Tokyo Institute of Technology. He attended the Advanced Management Program at Harvard Business School in 2007.

CHEN LIAN PANG

CEO (Southeast Asia), CapitaLand Commercial Limited

Mr Chen Lian Pang is the CEO of Southeast Asia for CapitaLand Commercial Limited, responsible for the company's operations in Vietnam and Thailand. He is concurrently a Director of TCC Capital Land Limited, CapitaLand's joint venture company with TCC Land in Thailand. Mr Chen has more than 20 years of construction and real estate experience in both Singapore and overseas.

Mr Chen holds a Master of Science in Civil Engineering from the National University of Singapore and a Bachelor of Science in Civil Engineering (First Class Honours) from the University of Cardiff, UK. He is also a registered professional engineer.

LIM BENG CHEE

CEO, CapitaMalls Asia Limited

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

Mr Lim previously held various positions within the CapitaLand Group of companies, including CEO of CapitaMall Trust Management Limited and CapitaRetail

China Trust Management Limited and Deputy CEO of CMA. He played an instrumental role in the creation of CMA's retail real estate funds and the creation and listing of CapitaRetail China Trust.

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, UK.

LUI CHONG CHEE

CEO, CapitaLand Financial Limited

Mr Lui Chong Chee is the CEO of CapitaLand Financial Limited. He is also Chairman of Australand Holdings Limited and a Non-Executive Director of CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, CapitaRetail China Trust Management Limited and Ascott Residence Trust Management Limited.

Mr Lui previously held various positions within the Group, including Chief Financial Officer of CapitaLand Limited and CEO of CapitaLand Residential Limited. Prior to joining CapitaLand, he was the Managing Director of Citigroup Investment Bank (Singapore) Limited.

Mr Lui holds a Master of Business Administration in Finance and International Economics, as well as a Bachelor of Science in Business Administration (Magna Cum Laude) from New York University, USA. He attended the Advanced Management Program at Harvard Business School in 2005.

SIMON HO

CEO, CapitaMall Trust Management Limited

Mr Simon Ho is the CEO and Executive Director of CapitaMall Trust Management Limited. He was previously the Deputy CEO of CapitaMalls Asia Limited (CMA).

Mr Ho has more than 20 years of experience in real estate investment and management and was responsible for managing the operations of 17 retail properties in Singapore as well as the operations of CMA's regional retail portfolio in China, Malaysia, Japan and India.

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

COUNCIL OF CEOS

LYNETTE LEONG

CEO, CapitaCommercial Trust Management Limited

Ms Lynette Leong is the CEO and Executive Director of CapitaCommercial Trust Management Limited (CCTML).

Ms Leong has more than 20 years of banking, finance, real estate investment and fund management experience and was previously based in Asia, London, New York and Chicago. Prior to joining CCTML, Ms Leong was the CEO of Ascendas' South Korea office where she spearheaded Ascendas' foothold in South Korea's real estate market, including the acquisition of office and logistics properties.

Ms Leong holds a Master of Science in Real Estate and a Bachelor of Science in Estate Management from the National University of Singapore.

WEE HUI KAN

CEO, CapitaRetail China Trust Management Limited

Mr Wee Hui Kan is the CEO and Executive Director of CapitaRetail China Trust Management Limited (CRCTML), the manager for CapitaRetail China Trust, the first China shopping mall REIT listed in Singapore.

Mr Wee has more than 15 years of real estate investment and asset management experience and was based in China the last 12 years. He previously held positions within the CapitaLand Group, including Deputy CEO of CRCTML, Managing Director of the fund manager of CapitaLand China Residential Fund and CITIC CapitaLand China Business Park Fund, and General Manager of CapitaLand China Holdings Pte Ltd.

Mr Wee holds a Master of Business Administration (Accountancy) from the Nanyang Technological University of Singapore and a Bachelor of Engineering (Honours) from the National University of Singapore.

CHAN SAY YEONG

CEO, Quill Capita Management Sdn Bhd

Mr Chan Say Yeong is the CEO and Executive Director of Quill Capita Management Sdn Bhd, the manager of Quill Capita Trust, CapitaLand's first overseas REIT which is listed on Bursa Malaysia Securities Berhad.

Prior to this, Mr Chan held the position of Managing Director of CapitaLand Financial Limited based in Malaysia.

Mr Chan holds a Bachelor of Accountancy from the National University of Singapore. He has completed the Executive Development Program by The Wharton School of the University of Pennsylvania, US.

SERVICED RESIDENCES

LIM MING YAN

CEO, The Ascott Limited

Mr Lim Ming Yan is the CEO of The Ascott Limited. He is concurrently Deputy Chairman of CapitaLand China Executive Committee. Prior to joining Ascott, Mr Lim was CEO of CapitaLand China Holdings Pte Ltd, responsible for growing CapitaLand into a leading foreign real estate developer in China.

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

Mr Lim graduated from the University of Birmingham, UK, with a Bachelor of Science (First Class Honours) in Mechanical Engineering and Economics.

CHONG KEE HIONG

CEO, Ascott Residence Trust Management Limited

Mr Chong Kee Hiong is the CEO of Ascott Residence Trust Management Limited. Mr Chong was a key driver in the successful listing of Ascott REIT in March 2006. He was the Deputy CEO, Finance & Investment for The Ascott Limited from 2004 to March 2010. Before joining Ascott, Mr Chong was the Chief Financial Officer of Raffles Holdings Ltd.

He is a member of Institute of Certified Public Accountants of Singapore and a member of the Audit Committee of Sentosa Development Corporation. He is also the Treasurer and General Committee member of The Orchid Country Club.

Mr Chong holds a Bachelor of Accountancy degree from the National University of Singapore.

INTEGRATED DEVELOPMENTS

WONG HEANG FINE

CEO, CapitaLand ILEC Pte. Ltd.

Mr Wong Heang Fine is the CEO of CapitaLand ILEC Pte. Ltd. He is also the Country CEO in charge of developing CapitaLand's business in the Gulf Cooperation Council region.

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

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

CORPORATE OFFICE



Seated from left to right

LEONG SOON PENG
*Senior Vice President,
Information Technology*

JENNIE CHUA
Chief Corporate Officer

LIEW MUN LEONG
President & CEO

RITA LAU
*Senior Vice President,
Corporate Planning*

BELINDA GAN
Group Financial Controller

Standing from left to right

TAN SENG CHAI
*Senior Vice President,
Human Resource*

BASSKARAN NAIR
*Senior Vice President,
Corporate Marketing &
Communications*

WEN KHAI MENG
Chief Investment Officer

OLIVIER LIM
Group Chief Financial Officer

HAROLD WOO
*Senior Vice President,
Investor Relations*

HUBERT LADSTATTER
*Senior Vice President,
Risk Management*

LOW SAI CHOY
*Senior Vice President,
Legal/Company Secretary*

Not in picture
(in alphabetical order according to family name)

BOAZ BOON
*Senior Vice President,
Research*

MONICA CHIA
*Senior Vice President,
Internal Audit*

ANNA CHOO
*Senior Vice President,
Treasury*

CHYE MOI JUNE
*Head,
Group Tax*

EE CHEE HONG
*Managing Director, Strategic
Corporate Development*

LEE TIONG PENG
*Senior Vice President,
CapitaLand Institute of
Management and Business*

LEOW SIEW BENG
*Senior Vice President,
Human Resource
(Organisational Development)*

LIM SOO GEE
*Vice President,
Security Management*

TING TONG KOI
*Senior Vice President,
Operations Compliance Unit*

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Dr Hu Tsu Tau
Chairman

Peter Seah Lim Huat
Deputy Chairman

Liew Mun Leong
President & CEO

in order of date of appointment:

Lim Chin Beng
Jackson Peter Tai
Richard Edward Hale
Dr Victor Fung Kwok King
James Koh Cher Siang
Arfat Pannir Selvam
Professor Kenneth Stuart Courtis
Dr Fu Yuning
John Powell Morschel

COMPANY SECRETARY

Low Sai Choy

ASSISTANT COMPANY SECRETARY

Ng Chooi Peng

AUDIT COMMITTEE

Richard Edward Hale (*Chairman*)
James Koh Cher Siang
Arfat Pannir Selvam

INVESTMENT COMMITTEE

Dr Hu Tsu Tau (*Chairman*)
Liew Mun Leong
Jackson Peter Tai
Professor Kenneth Stuart Courtis
Olivier Lim Tse Ghow

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Lim Chin Beng (*Chairman*)
Peter Seah Lim Huat

NOMINATING COMMITTEE

Lim Chin Beng (*Chairman*)
Peter Seah Lim Huat
Liew Mun Leong
Arfat Pannir Selvam

FINANCE AND BUDGET COMMITTEE

Peter Seah Lim Huat (*Chairman*)
Liew Mun Leong
Jackson Peter Tai
Professor Kenneth Stuart Courtis
Olivier Lim Tse Ghow

CORPORATE DISCLOSURE COMMITTEE

James Koh Cher Siang (*Chairman*)
Liew Mun Leong
Arfat Pannir Selvam

RISK COMMITTEE

James Koh Cher Siang (*Chairman*)
Richard Edward Hale
Arfat Pannir Selvam

REGISTERED ADDRESS

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Telephone: +65 6823 3200
Facsimile: +65 6820 2202

SHARE REGISTRAR

M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906
Telephone: +65 6227 6660
Facsimile: +65 6225 1452

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Telephone: +65 6213 3388
Facsimile: +65 6225 6157
(*Engagement Partner since financial
year ended 31 December 2005:*
Eng Chin Chin)

PRINCIPAL BANKERS

- Australia and New Zealand Banking Group Limited
- Bank of China
- BNP Paribas
- China Merchants Bank Co., Ltd
- Commonwealth Bank of Australia
- Credit Agricole Corporate and Investment Bank
- DBS Bank Ltd
- Fortis Bank S.A. / N.V.
- Malayan Banking Berhad
- National Australia Bank Limited
- Oversea-Chinese Banking Corporation Limited
- Public Bank Berhad
- Standard Chartered Bank
- Sumitomo Mitsui Banking Corporation
- The Bank of East Asia, Limited
- The Bank of Tokyo-Mitsubishi Ltd UFJ, Ltd
- The Hongkong and Shanghai Banking Corporation Limited
- The Royal Bank of Scotland plc
- United Overseas Bank Limited
- Westpac Banking Corporation

CORPORATE GOVERNANCE

Report for the period from 1 January 2009 to 31 December 2009

CapitaLand observes high standards of corporate conduct in line with the Principles of the Code of Corporate Governance 2005 (the "Code"). We believe that each company needs to develop and maintain sound and transparent policies and practices to meet its specific business needs and to provide a solid foundation for a trusted and respected business enterprise. We remain focused on the substance and spirit of the Principles of the Code while achieving operational excellence and delivering the Group's long term strategic objectives.

This Report on our corporate governance practices for financial year 2009 ("Report") describes our application of good governance principles in building a company committed to integrity, excellence and its people. The application is underpinned by sound systems of internal controls and accountability, which help to promote and drive long term sustainable growth and shareholder value.

The following sections covering each of the Principles outline our policies and practices.

(A) BOARD MATTERS

PRINCIPLE 1: Board's Conduct of Affairs

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

The key roles of our Board are to:

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

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

Membership of the various Board Committees is carefully managed to ensure an equitable distribution of

responsibility among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered.

CapitaLand has also taken steps to ensure that there are appropriate checks and balances between the different Board Committees. Hence, membership of the FBC and IC being Board Committees which are more involved in key businesses or executive decisions, and membership of the AC with its supervisory role, are mutually exclusive.

The Board meets regularly to review the key activities and business strategies of the Group, at least once every quarter, and as required by business imperatives. The Board deliberates strategic policies of the Group, including significant acquisitions and divestments, approving the annual budget, reviewing the performance of the Group's businesses, and approving the release of the quarterly and full-year results. The AC is delegated the authority by the Board to review such results.

A total of eight Board meetings was held in 2009.

A Project Committee meeting attended by the Board was held in 2009 in relation to the Rights Issue of CapitaLand. Two Project Verification meetings attended by the Board were held in 2009 in relation to the initial public offering of CapitaMalls Asia Limited, the integrated shopping mall business of CapitaLand.

A table of the Board members' participation in the various Board Committees is set out on page 38 of this Report. This reflects each Board member's additional responsibilities and special focus in the respective Board Committees.

A table showing the attendance record of directors at Board meetings, Board Committee meetings, Project Committee meeting and Project Verification meetings during the year is set out on page 39 of this Report. We believe in the manifest contribution of our directors beyond attendance at formal Board and Board Committee meetings. CapitaLand's directors are all professionals with diverse experience and able to provide effective guidance on the strategic direction of the Group's businesses. To judge a director's contribution based on his attendance at formal meetings alone would not do justice to his overall contribution, which includes being accessible to Management for guidance or exchange of views outside the formal environment of Board meetings.

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

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The IC is chaired by Dr Hu Tsu Tau and comprises Mr Liew Mun Leong, Mr Jackson Peter Tai, Professor Kenneth Stuart Courtis and Mr Olivier Lim Tse Ghow, the Group Chief Financial Officer ("Group CFO"). The IC has been delegated the authority by the Board to approve the Group's investments and divestments not requiring shareholders' approval, participation in tenders and bids and acceptance of credit facilities from financial institutions and banks. Since 2000, the Board had approved the delegation of some of its authority to the various strategic business unit ("SBU") Boards and Management committees within strict limits. Apart from convening two formal meetings of the IC in 2009, the views of the IC and Board were actively sought by the SBUs, and the approval of the IC obtained where required.

Changes to regulations and accounting standards are monitored closely by Management. Where regulatory changes have an important bearing on CapitaLand's or directors' disclosure obligations, directors are briefed during Board meetings or at specially-convened sessions conducted by professionals.

Newly appointed directors are given briefings by Management on the business activities of the Group and its strategic directions. Upon appointment, each director is briefed and provided with a formal letter setting out the director's duties and obligations. Directors are expected to exercise independent judgement in the best interests of CapitaLand. Directors are also briefed and provided with relevant information on CapitaLand's policies and procedures relating to corporate conduct and governance including disclosure of interests in securities, prohibitions on dealings in CapitaLand's securities, restrictions on disclosure of price sensitive information and the disclosure of interests relating to certain property transactions.

The directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update them on matters that affect or may enhance their performance as Board or Board Committee members.

PRINCIPLE 2: Board Composition and Guidance

As at 31 December 2009, the Board comprised 11 directors, of whom 10 were independent non-executive directors. With the appointment of Mr John Powell Morschel on 1 February 2010, the Board currently comprises 12 directors, of whom 11 are independent non-executive directors.

The non-executive Chairman Dr Hu Tsu Tau brings with him a wealth of experience both in the Singapore Government (as a former Cabinet Minister) and in a major global company (as previous Chairman and Chief Executive of the Shell Group of companies in Singapore). The sole executive director is Mr Liew Mun Leong, who is also the President and Chief Executive Officer ("CEO").

The directors are business leaders and professionals with governmental, financial, banking, tax, trading, real estate, transport and legal backgrounds. Profiles of the directors are provided on pages 18 to 23 of this Report.

This composition of the Board enables Management to benefit from their external, diverse and objective perspective on issues brought before the Board. It also enables the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the role 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 business activities of the Group.

The Board has established the NC which makes recommendations to the Board on all Board appointments and determines a director's independence. The NC has determined that the 10 non-executive directors on the Board were independent in financial year 2009. Although Professor Kenneth Stuart Courtis received payment of an amount of US\$60,000 for services rendered to CapitaLand as Economics Advisor and Mrs Arfat Pannir Selvam received payment of an amount of S\$89,925 for consultancy services rendered to subsidiaries of CapitaLand in financial year 2009, the NC considers both Professor Courtis and Mrs Selvam as independent directors notwithstanding their relationships with CapitaLand in respect of Guidance Note 2.1(c) of the Code as the amounts paid are not significant and they are able to exercise strong independent judgement in their deliberations in the interests of CapitaLand.

PRINCIPLE 3: Chairman and Chief Executive Officer

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

The non-executive Chairman, Dr Hu Tsu Tau, is responsible for the Board and acts independently in the best interests of CapitaLand and its shareholders, while the President and CEO, Mr Liew Mun Leong, is responsible for the running of the Group's businesses.

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

The President and CEO is a Board member and has full executive responsibilities over the business directions and operational decisions of the Group. The President and 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 CapitaLand complies with corporate governance guidelines.

PRINCIPLE 4: Board Membership

Board renewal is a continual process, for good governance and to maintain relevance to the changing needs of the Group's businesses. The President and CEO, as a Board member, is also subject to retirement and re-election by shareholders as part of Board renewal. Election of Board members is the prerogative and right of shareholders.

The NC is chaired by Mr Lim Chin Beng and comprises Mr Peter Seah Lim Huat, Mr Liew Mun Leong and Mrs Arfat Pannir Selvam.

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

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

- Candidates to be CapitaLand's nominees on the Board and Board Committees of listed companies within the Group; and
- Candidates to the Board and Board Committees of holding companies of the SBUs.

The NC sources for candidates who would be able to value add to Management through their contributions in the relevant strategic business areas and in the constitution of strong and diverse boards.

CapitaLand's Articles of Association require one-third of its directors to retire and subject themselves to re-election ("one-third rotation rule") by shareholders

at every Annual General Meeting ("AGM"). In other words, no director stays in office for more than three years without being re-elected by shareholders.

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

In addition, a newly-appointed director 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.

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

Although some of our directors sit on the boards of various companies, they devote sufficient time and attention to the affairs of CapitaLand.

PRINCIPLE 5: Board Performance

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

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

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

Reviews of Board performance as appropriate are informal. Renewal or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium term needs of CapitaLand and its business.

PRINCIPLE 6: Access to Information

We believe that the Board should be provided with timely and complete information prior to Board meetings, and

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

Management provides adequate and timely information to the Board on Board affairs and issues requiring the Board's decision. It also provides ongoing reports relating to operational and financial performance of CapitaLand, such as monthly management financial reports.

The Articles of Association of CapitaLand provide for directors to convene meetings by teleconferencing or videoconferencing. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through electronic means which include electronic mail, teleconferencing and videoconferencing. Alternatively, Management will brief directors in advance before seeking the Board's approval.

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

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

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

(B) REMUNERATION MATTERS

PRINCIPLE 7: Procedures for Developing Remuneration Policies

PRINCIPLE 8: Level and Mix of Remuneration

PRINCIPLE 9: Disclosure on Remuneration

We believe that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the building of management bench strength and the development of key executives.

This is to ensure continual development of talent and renewal of strong and sound leadership for a sustainable business and a lasting Company. CapitaLand's ERCC plays a crucial role in helping to ensure that we are able to attract, recruit and retain the best talents to drive the Group's businesses forward.

The ERCC is chaired by Mr Lim Chin Beng and comprises Mr Peter Seah Lim Huat.

All the members of the ERCC including the Chairman are independent non-executive directors. Outside members may be co-opted into the ERCC to provide a global perspective of talent management and remuneration practices.

The ERCC oversees executive compensation and development in CapitaLand. The ERCC is guided by its Terms of Reference. Specifically, the ERCC will:

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

The aim of the ERCC is to build capable and committed management teams, through competitive compensation, focused management, and progressive policies which can attract, motivate and retain a pool of talented executives to meet the current and future growth of CapitaLand.

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

The ERCC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the ERCC takes into consideration industry practices and norms in compensation. The President and CEO is not present during the discussions relating to his own compensation and terms and conditions of service, and the review of his performance. The President and CEO will be in attendance when the ERCC discusses policies and

compensation of his senior team and key staff. This include major compensation and incentive policies such as the performance share plan and restricted stock plan framework for bonus, staff salary review and other incentive schemes. A total of two ERCC meetings was held in 2009.

Non-executive directors have remuneration packages consisting of directors' fees, attendance fees and contingent share awards pursuant to CapitaLand's Restricted Stock Plan. The directors' fee policy is based on a scale of fees divided into basic retainer fees as director and additional fees for attendance and serving on Board Committees. Details of the breakdown are provided in the Other Information section of this Report ("Other Information") on page 206. Directors' fees for non-executive directors are subject to the approval of shareholders at the AGM.

The basis of allocation of the number of contingent share awards takes into account a director's additional responsibilities at Board Committees.

The President and CEO as executive director does not receive director's fees. He is the lead member of Management. His compensation consists of his salary, allowances, bonuses and contingent share awards. The latter is conditional upon him and CapitaLand meeting certain performance targets. The details of his compensation package are provided in the Other Information on page 206.

Key executives' compensations consist of salary, allowances, bonuses and contingent share awards. The latter is conditional upon meeting certain performance targets. A significant proportion of executives' remuneration is linked to company and individual performance in the form of share based and Economic Value Added based compensation. Although the Code requires a company to disclose the names of at least the top five key executives of CapitaLand, CapitaLand considers members of the Office of the President as its key executives. Currently, apart from the President and CEO who is the executive director, there are only four other members namely CapitaLand Chief Corporate Officer Ms Jennie Chua Kheng Yeng, CapitaLand Chief Investment Officer Mr Wen Khai Meng, CapitaLand Group CFO Mr Olivier Lim Tse Ghow and The Ascott Limited CEO Mr Lim Ming Yan. Their remuneration in bands of S\$250,000 are provided in the Other Information on page 206.

No employee of CapitaLand and its subsidiaries was an immediate family member of a director or the

President and CEO and whose remuneration exceeded S\$150,000 during the financial year 2009. "Immediate family member" means the spouse, child, adopted child, step-child, sibling and parent.

A separate remuneration report is not prepared as most of the information is found in the Other Information on page 206.

Details of the employee share schemes are given in the Directors' Report on page 110.

(C) ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: Accountability

CapitaLand believes in conducting itself in ways that deliver maximum sustainable value to our shareholders. CapitaLand promotes best practices as a means to build an excellent business for our shareholders and is accountable to shareholders for its performance.

At CapitaLand, the separation of the roles of the Chairman and the President and CEO, and the holding of such appointments by separate individuals, ensure effective supervision of Management and maintenance of accountability of the Board to the shareholders, and of Management to the Board.

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

CapitaLand was the first listed real estate group in Singapore to implement quarterly reporting in the third quarter of 2001, before it became a requirement by the Singapore Exchange Securities Trading Limited ("SGX-ST"). This shows CapitaLand's corporate intent to discharge its continuing obligation of prompt and thorough disclosures as practised by international standards, in view of the global reach of its businesses and shareholder base.

PRINCIPLE 11: Audit Committee

CapitaLand's internal policy requires the AC to have at least three members, all of whom are non-executive and the majority must be independent.

The AC is chaired by Mr Richard Edward Hale and comprises Mr James Koh Cher Siang and Mrs Arfat Pannir Selvam. All the members of the AC including the Chairman are independent non-executive directors. The members bring with them invaluable managerial and professional expertise in the financial, tax and legal domains.

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The AC is guided by Terms of Reference which defines its scope of authority. These Terms include review of the annual audit plan, adequacy of the internal audit process, results of audit findings and Management's response, adequacy and effectiveness of internal controls, Interested Person Transactions, framework and processes established for the implementation of the terms of the collaboration agreement between CapitaLand and CapitaMalls Asia Limited, the processes for the management of material conflicts of interest within the Group and also the resolution of all conflicts of interest matters referred to the AC.

The AC reviews 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.

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

A total of four AC meetings was held in 2009. The AC also held one meeting with the external auditors and internal auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal control, and the significant comments and recommendations by the auditors.

PRINCIPLE 12: Internal Controls

PRINCIPLE 13: Internal Audit

CapitaLand believes that it has in place a system of internal controls to safeguard shareholders' interests and the Group's assets, and also to manage risks.

The AC's responsibilities in the Group's internal controls are complemented by the work of the FBC and the RC.

The FBC is chaired by Mr Peter Seah Lim Huat and comprises Mr Liew Mun Leong, Mr Jackson Peter Tai, Professor Kenneth Stuart Courtis and Mr Olivier Lim Tse Ghow, the Group CFO. The FBC reviews the annual budget and financial policies of the Group.

In 2009, the FBC met two times to review the financial forecasts and the annual financial plan of the Group. Major business events, initiatives, strategies and areas of concern were also discussed at the meetings. In addition, the FBC reviews and approves updates to the CapitaLand Group Finance Manual.

The RC was formed in September 2002 as part of CapitaLand's efforts to strengthen its risk management processes and framework. The RC comprises Mr James Koh Cher Siang as the Chairman, with Mr Richard Edward Hale and Mrs Arfat Pannir Selvam as members. There were four meetings of the RC held in 2009.

The RC's role is to:

- Review the adequacy of CapitaLand's risk management process;
- Review and approve in broad terms, the risk guidelines and limits. These include country concentration limits and risk-adjusted country hurdle rates for the Group and the SBUs, which are reviewed annually; and
- Review CapitaLand's risk portfolio and risk levels, as assisted by the CapitaLand Corporate Risk Assessment Group, which scrutinises the risk profile of every major project which is proposed and is responsible for compiling the Group Quarterly Risk Report. Included in the report is a monitoring of the utilisation of approved country and treasury limits of the Group.

Based on the review of these Board Committees, the Board, through the AC, is satisfied that there are adequate internal controls in place within the Group.

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

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

The Standards set by the IIA cover requirements on:

- Independence;
- Professional Proficiency;
- Scope of Work;

- Performance of Audit Work; and
- Management of the Internal Auditing Department.

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

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

(D) COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 14: Communication with Shareholders

PRINCIPLE 15: Greater Shareholder Participation

CapitaLand’s Investor Relations and Corporate Communications departments facilitate effective communications with CapitaLand’s shareholders, analysts, fund managers and the media.

CapitaLand’s results for the first three quarters and full year for financial year 2009 were all released on a timely basis, within 35 days of the end of the relevant quarter and 55 days of the end of the full year.

CapitaLand has also formed the CDC chaired by Mr James Koh Cher Siang and comprising Mr Liew Mun Leong and Mrs Arfat Pannir Selvam. The CDC reviews the promptness and comprehensiveness of corporate disclosure issues and announcements made to the SGX-ST, and ensures the adoption of good corporate governance and best practices in terms of transparency to shareholders and the investing community. The views and approvals of the CDC were sought throughout the year on various announcements and news releases issued by CapitaLand.

CapitaLand continues to keep stakeholders and analysts informed of its corporate activities in Singapore and around the world on a timely and consistent basis. CapitaLand makes disclosures on an immediate basis as required under the Listing Manual of the SGX-ST, or as soon as possible where immediate disclosure is not practicable. Regular briefings and meetings for analysts and the media are held, generally coinciding with the release of the Group’s second quarter and full-year results. During these briefings, Senior Management reviews the Group’s most recent performance and discusses CapitaLand’s outlook. In the interest of transparency and broad dissemination, these briefings are webcast live and accessible to the public on

the Group’s website at www.capitaland.com. Materials used in the briefings are also disseminated via SGXNET. Recordings of the briefings are archived on the website.

In 2009, Senior Management conducted about 700 meetings with institutional investors. Management also participated in investor conferences in London, New York, Boston, Denver, San Francisco, Frankfurt, Hong Kong, and Beijing besides Singapore. In addition, CapitaLand pursues opportunities to keep its retail shareholders informed through the business media, website postings and other publicity channels.

CapitaLand supports the Code’s principle to encourage shareholder participation. Shareholders receive the summary financial report and notice of the AGM. Notice of the AGM is also advertised in the press and issued via SGXNET. At the AGM and immediately thereafter, shareholders have the opportunity to communicate their views and discuss with the Board and Management matters affecting CapitaLand. The respective Chairpersons of the AC, NC and ERCC, and the external auditors, would usually be present at the AGM. 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.

In 2009, CapitaLand was the winner of the Most Transparent Company (Property Category) in the Securities Investors Association (Singapore) (SIAS) Investors’ Choice Awards for the ninth consecutive year. In addition, CapitaLand was named “Overall Best Company in Singapore” and “Best for Disclosure and Transparency in Singapore” in Asiamoney’s Corporate Governance Poll 2009.

DEALINGS IN SECURITIES

Taking into consideration the SGX-ST Best Practices Guide, CapitaLand has issued guidelines to directors and employees in the Group, prohibiting dealings in CapitaLand’s securities, while in possession of material unpublished price-sensitive information and during two weeks before the release of CapitaLand’s results for the first three quarters and one month before the release of CapitaLand’s full year results.

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

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COMPOSITION OF BOARD AND BOARD COMMITTEES

Board Members	Audit Committee	Investment Committee	Executive Resource and Compensation Committee	Nominating Committee	Finance and Budget Committee	Corporate Disclosure Committee	Risk Committee
Dr Hu Tsu Tau		C					
Peter Seah Lim Huat			M	M	C		
Liew Mun Leong		M		M	M	M	
Lim Chin Beng			C	C			
Jackson Peter Tai		M			M		
Richard Edward Hale	C						M
Dr Victor Fung Kwok King							
James Koh Cher Siang	M					C	C
Arfat Pannir Selvam	M			M		M	M
Professor Kenneth Stuart Courtis		M			M		
Dr Fu Yuning (appointed on 27 July 2009)							
John Powell Morschel (appointed on 1 February 2010)							
Non-Board Member							
Olivier Lim Tse Ghow		M			M		

Denotes:

C: Chairman M: Member

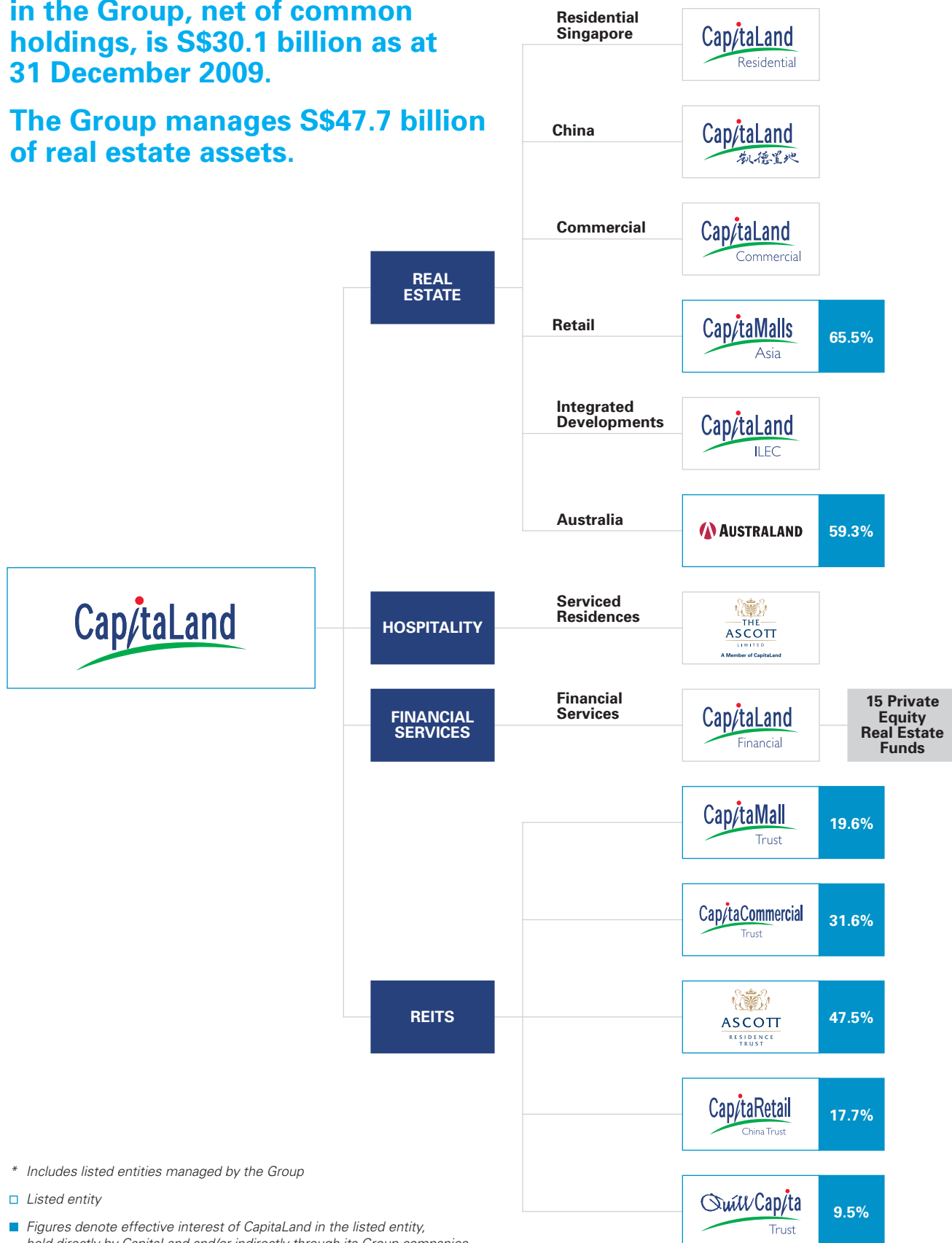
**ATTENDANCE RECORD OF BOARD, BOARD COMMITTEE, PROJECT COMMITTEE
AND PROJECT VERIFICATION MEETINGS**

	Board	Audit Committee	Investment Committee	Executive Resource and Compensation Committee	Finance and Budget Committee	Risk Committee	Project Committee	Project Verification
No. of Meetings Held	8	4	2	2	2	4	1	2
Board Members								
Dr Hu Tsu Tau	7		2					2
Peter Seah Lim Huat	6			2	2		1	
Liew Mun Leong	8		2		2		1	2
Lim Chin Beng	8			2				2
Jackson Peter Tai	8		1		2			2
Richard Edward Hale	7	4				4	1	1
Dr Victor Fung Kwok King	4							
James Koh Cher Siang	7	4				4	1	1
Arfat Pannir Selvam	7	4				4	1	1
Professor Kenneth Stuart Courtis	8		2		2			2
Dr Fu Yuning (appointed on 27 July 2009)	4							2
John Powell Morschel (appointed on 1 February 2010)	—							
Non-Board Member								
Olivier Lim Tse Ghow			2		2			

GROUP BUSINESSES

The total market capitalisation of the eight* public listed entities in the Group, net of common holdings, is S\$30.1 billion as at 31 December 2009.

The Group manages S\$47.7 billion of real estate assets.



* Includes listed entities managed by the Group

□ Listed entity

■ Figures denote effective interest of CapitaLand in the listed entity, held directly by CapitaLand and/or indirectly through its Group companies.

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 DECEMBER 2009

Announcement of First Quarter Results	24 April 2009
Announcement of Second Quarter Results	30 July 2009
Announcement of Third Quarter Results	27 October 2009
Announcement of Full Year Results	11 February 2010
Annual General Meeting	16 April 2010
Books Closing (Record Date)	5.00 p.m. on 28 April 2010
Books Closure	29 April 2010
Proposed Payment of 2009 Final Dividend and Special Dividend	13 May 2010

FINANCIAL YEAR ENDING 31 DECEMBER 2010

Proposed Announcement of First Quarter Results	April 2010
Proposed Announcement of Second Quarter Results	July 2010
Proposed Announcement of Third Quarter Results	October 2010
Proposed Announcement of Full Year Results	February 2011

RISK ASSESSMENT AND MANAGEMENT

Risk assessment and management is an integral part of the strategic and operational decision-making process at all levels of the CapitaLand Group.

Since its inception in 2000, a comprehensive risk management framework has been formalised across the Group. In 2002, a Risk Committee comprising independent board directors was formed as part of CapitaLand's efforts to strengthen its risk management processes and framework.

In 2009, the Risk Committee comprised Mr James Koh Cher Siang (Chairman), Mr Richard Edward Hale and Mrs Arfat Pannir Selvam. The Group's President and CEO Mr Liew Mun Leong and other senior management regularly attend Risk Committee meetings. The Risk Committee is assisted by the Risk Assessment Group (RAG), an independent in-house unit with members having vast experience in financial and operational risk management.

CapitaLand maintains a prudent risk profile by counterchecking business initiatives with RAG and by investing in a mix of stable assets and development properties. Unique risk management models, developed in-house, enable the Group to engage in a "disciplined aggression" investment strategy. A key reporting tool used is a Value-at-Risk (VaR) model adapted from the banking industry and tailored for real estate-specific risks. This model measures the relative and absolute riskiness of the Group's exposures using a historical simulation method.

Every quarter, RAG generates a comprehensive portfolio risk report that identifies, measures and mitigates relevant risks and exposures where possible. Potential risks include:

Property market risk – Real estate markets are cyclical and significantly affected by global and local conditions, such as government regulations, competition, consumer confidence, and demand and supply. Existing and new exposures are evaluated with the VaR model, stress testing and scenario analyses are performed, and all financial assumptions of project cash flows are benchmarked to ensure forecasts are objective.

Credit risk – Financial loss could occur if fund investors or joint venture partners fail to meet contractual obligations or unexpected capital calls. Processes are established to mitigate such risks, including performing counterparty credit evaluations, and monitoring and quantifying potential contingent obligations that may occur.

Development risk – Depending on size and complexity, new projects typically take a few years to complete depending on size and complexity. The risks of potential delays and cost overruns of ongoing development projects are regularly monitored and quantified with the VaR model, and reported to the Risk Committee.

Foreign currency risk – CapitaLand operates internationally and is exposed to various currencies. It maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match future revenue streams generated by investments.

Interest rate risk – CapitaLand's interest rate risk exposure relates mainly to funding of its property investments. This is managed with a prudent mix of fixed and floating rate borrowings. This allows the Group to capitalise on cheaper funding in a low interest rate environment and protect against potential rate hikes.

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

RAG has established a risk-based country asset allocation system to manage country transfer risk effectively and avoid concentration risk. This uses a multi-faceted and risk-adjusted methodology based on CapitaLand's investment strategy, sovereign risk ratings by international rating agencies and macroeconomic consensus views from the Group's in-house Economics Unit.

RAG performs independent risk evaluations of investment proposals by the Group's business units above a stipulated investment value threshold. RAG calculates the risk-adjusted weighted average cost of capital and project-specific target returns of individual countries and business units according to their respective risk profiles, using these as benchmarks for the projected returns of individual investment proposals. Where applicable, RAG makes recommendations to improve the structure of investment proposals to mitigate risks and optimise the risk-return profile.

Going forward, CapitaLand will continue to review and adjust its risk management systems and methodologies so as to manage risks proactively, preserve capital and enhance shareholders' value. The Group's key risk management principle remains its endeavour to optimise risk.

HUMAN RESOURCE



Leadership training by CapitaLand Group President & CEO Liew Mun Leong.

CapitaLand recognises the importance of managing and developing human capital. Its credo of “Building People to Build for People” means training them to achieve at an optimal level, aligning their personal goals with the company’s performance and creating a work environment for them to contribute positively. This is the Group’s integrated human capital strategy to recruit, develop and motivate employees.

TALENT MANAGEMENT

CapitaLand identifies talents both internally and externally to build its talent pipeline for succession planning and bench strength. These include undergraduates, fresh graduates, young and mid-career professionals as well as industry veterans.

Despite a difficult year, CapitaLand remained committed to invest in its talent pipeline. A Talent Incubation Programme was launched in 2009 to place young and promising talents on short attachments in the Group. CapitaLand recruited talents through its network with Singapore and overseas universities. CapitaLand also attracted future leaders through scholarships such as the CapitaLand-BCA Scholarship, CapitaLand-NUS-USP Scholarship and CapitaLand International Scholarship.

During the year, CapitaLand intensified staff training and development to equip employees for the changing business environment. Launched in 2006, the CapitaLand Institute of Management and Business (CLIMB) has provided over 4,500 training places for employees from various countries. Ascott Centre for Excellence (ACE), Ascott’s global hospitality training centre in Singapore, has trained 2,750 people for the hotel and accommodation services sector.

CapitaLand’s successful ICE (Innovation, Creativity, Entrepreneurship) programme continued to inspire

employees. To date, 1,000 employees have shared ideas at 24 ICE camps and related activities held in various countries.

COMPETITIVE COMPENSATION/ BENEFITS

CapitaLand motivates and rewards employees with comprehensive and competitive compensation and benefits programmes. Incentives include short-term cash bonuses and long-term equity-based reward plans.

The performance-based Restricted Stock Plan is an attractive long-term incentive to employees which gives them a personal stake in the company, contingent on achieving performance targets. This better aligns employee and shareholder interests to deliver business results. Regular benchmarking against different markets and innovation in compensation strategies ensure CapitaLand remains competitive and continues to attract and retain talent.

In December 2009, in light of the continued business recovery, CapitaLand fully restored salary reductions that were implemented in January 2009 as part of cost management measures done in context of the gloomy business environment, a move that was welcomed by unions. In recognition of its consultative and collaborative approach with the unions, CapitaLand was awarded the May Day Model Partnership Award in 2009.

POSITIVE WORK ENVIRONMENT

CapitaLand recognises that a positive work environment will better attract, motivate and retain talent. A total employee well-being programme is in place to promote personal development, health and work-life harmony. Initiatives include a flexible benefits plan, flexible work arrangements and subsidised rates at The Ascott’s serviced residences.

CORPORATE SOCIAL RESPONSIBILITY



Students of the CapitaLand Muchuan Green Hope School in Sichuan Province, China.

CapitaLand is committed to be a good corporate citizen. The Group aims to contribute to the societies within which it operates and promote sustainable growth for future generations. Its corporate social responsibility efforts focus on philanthropy, the environment and the community.

In 2009, CapitaLand was recognised as a corporate sustainability leader by two international sustainability benchmarks. The Group is the only Singapore company in the Sustainability Yearbook 2009 and one of only two Singapore companies in the Dow Jones Sustainability Asia Pacific Index. CapitaCommercial Trust, our commercial REIT, was included in the FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices for responsible investors.

CapitaLand staff play an active role in all the Group's programmes, participating in community outreach programmes and volunteer expeditions. Staff volunteerism is encouraged through supportive human resource policies such as three days of paid volunteer service leave annually, volunteer no-pay leave or a volunteer part-time work arrangement.

PHILANTHROPY

Every year, CapitaLand allocates up to 0.5% of its net profit to CapitaLand Hope Foundation (CHF),

its philanthropic arm, to support programmes for the shelter, education and healthcare needs of underprivileged children. In 2009, CHF maintained its corporate giving strategy despite the global economic slowdown.

CapitaLand's Green for Hope 2008 project received overwhelming response. About 260,000 schoolchildren from 154 Singapore primary schools collected over 644,000 kilograms of recyclable waste during the year-long campaign which concluded in June 2009. CHF donated more than S\$1 million in total, its largest donation for a single project. The project was extended for six months due to the strong community support. Between July to December 2009, CHF awarded a S\$280 CapitaLand Green for Hope Bursary for every 100 kg of recyclable waste collected. A total of 3,206 bursaries were awarded to 154 participating primary schools for collecting about 380,000 kg of recyclable waste.

In June, CapitaLand launched the Back to School project at Sembawang Shopping Centre. Guided by 140 CapitaLand staff volunteers, 200 underprivileged children from Care Corner Singapore bought school necessities with S\$25,000 worth of vouchers donated by CHF.

In 2009, the National Volunteer & Philanthropy Centre presented CapitaLand the Corporate Citizen Award for Philanthropy in recognition of its active corporate citizenship.

In China, CapitaLand pledged to build six CapitaLand Hope Schools in Inner Mongolia, Zhejiang Province and Guangdong Province, bringing the total in the country to 15. Launched in 2004, the project aims to provide improved school and living facilities for children in China's rural areas. To date, seven schools have opened to students.

CapitaLand won the Cityscape Best Developer (Corporate Social Responsibility) Award for showing outstanding social responsibility for the design and construction of the CapitaLand Muchuan Green Hope School in Sichuan Province. In November, CapitaLand organised a volunteer expedition to the school for members of the public and CapitaLand staff.

CapitaLand also worked with local and international non-profit organisations such as World Vision and Gentle Fund Organisation to organise overseas volunteer expeditions to effect positive, sustainable changes to local communities in China, Vietnam and Thailand.

ENVIRONMENT

CapitaLand believes in building for the future by protecting the environment for future generations.

CapitaLand monitors and tracks the electricity and water usage of over 180 properties worldwide with an Environmental Tracking System (ETS). In 2009, the Group outperformed its targets for reduction of electricity and water usage of its properties worldwide (set at 3% reduction of 2008 usage). Actual reductions achieved were 7.2% and 4.0% respectively, resulting in savings of approximately S\$8.8 million (based on average country utility rates).

Occupational health and safety is of paramount importance to CapitaLand. In 2009, it obtained OHSAS 18000 certification (Standards for Occupational Health and Safety Management Systems) in Singapore, in addition to ISO 14000 certification for environmental management obtained previously for Singapore, China and Vietnam.

For demonstrating excellence and leadership in the built environment in Singapore, CapitaLand won the Built Environment Leadership Gold Class (Developer Category) Award conferred by the Building and Construction Authority (BCA).

Through its Building a Greener Future programme, CapitaLand encourages staff, tenants and the community to play a role in protecting the environment and leave a "green legacy" for future generations. In August,

CapitaLand launched the CapitaLand Green Army initiative, mobilising staff to spread the green message. CapitaLand staff will be "armed" with Green Rations (fun bite-sized green tips) and undergo training to fight climate change.

In 2009, over 130 CapitaLand offices, retail malls and serviced residences in 13 countries including Singapore, Australia, China, France and the United Arab Emirates participated in Earth Hour 2009, a global climate change initiative organised by WWF.

In conjunction with World Water Day, CapitaLand adopted Marina Reservoir (Marina Bay and the Singapore River) and sponsored an electric boat under PUB's Our Waters programme. Staff volunteers also participated in a Singapore River clean-up in conjunction with Earth Day. In 2009, CapitaLand won PUB's Watermark Award in recognition of its strong management commitment to the water cause, active water management and conservation efforts, and its community outreach programmes.

In China, the Group set up temporary CapitaLand Green Shops in its Shanghai, Beijing, Chengdu and Foshan shopping malls to mark World Environment Day. The initiative successfully increased public awareness about environmental conservation.

COMMUNITY

CapitaLand believes in promoting an understanding of the cultures between its home base of Singapore and overseas communities.

CapitaLand pledged a conservation donation to support the pair of giant panda cubs Singapore will receive from China. This marked a significant milestone for CapitaLand and is another testament of its long-term commitment to China. The 10-year collaborative programme will raise cultural exchange and understanding between Singapore and China and further strengthen the strong relationship between the two countries.

CapitaLand was the main sponsor for "Journey to the West", a highly-acclaimed acrobatic drama performed by the renowned Guangzhou Acrobatic Troupe of China in Singapore. The Group also sponsored a two-day performance by Singapore Symphony Orchestra at the prestigious National Centre for the Performing Arts in Beijing.

STAKEHOLDER COMMUNICATIONS

CapitaLand communicates regularly with shareholders, investors, analysts and the media to ensure all stakeholders are informed of its activities on a timely and consistent basis.

The Group consistently maintains a high level of investor access through face-to-face meetings, teleconferences, investor conferences, roadshows and site visits. In 2009, CapitaLand met with about 700 investors globally and participated in investor conferences and roadshows in Singapore, Beijing, Hong Kong, Shanghai, London and New York. Investors and analysts were able to engage senior management through formal and informal events. Over the last 18 months, CapitaLand organised two CEO forums where the Group's President and CEO, chief financial officer, and business unit CEOs presented their strategies to institutional investors.

CapitaLand has been committing more time and resources to cater to the growing pool of retail investors. In 2009, the Group participated in the Asian Investment Conference & Exhibition organised by the Securities Investors Association (Singapore) (SIAS).

CapitaLand engages the media and the investment community through news releases, media and analyst briefings, and familiarisation trips. The Group's Investor Relations website provides comprehensive company information such as news releases, legal announcements, financial results and annual reports and includes features like push mail and RSS feeds to provide real-

time updates to stakeholders. All news releases and legal announcements are also available on the Singapore Exchange website.

At the half-year and full-year financial results briefings, top management briefed the media and analysts on CapitaLand's performance. During the year, top management were interviewed by key Singapore and international media on issues including the listing of CapitaMalls Asia, the Group's growth strategy and talent development.

CapitaLand regularly engages the media in the various countries it operates in. In 2009, Singapore-based media and analysts visited its projects in Beijing and Tianjin in China to gain insight into the Group's operations there. Key Singapore and Chinese media were also invited to attend the launch ceremony for Raffles City Ningbo.

The Group's stakeholder communications efforts have been recognised by the investment community. In 2009, CapitaLand won the SIAS "Most Transparent Company (Property)" award for the ninth consecutive year and was the top Singapore company in Asiamoney's Corporate Governance Poll 2009. CapitaLand also won four awards in the 2009 Thomson Reuters Extel IR Survey: for Singapore, most progress in investor relations, best investor relations by a chief financial officer, and best investor relations professional (large cap); and for Asia Pacific, best investor relations professional.

2009 INVESTOR RELATIONS CALENDAR

1st Quarter

- DBS Vickers Pulse of Asia (Singapore)
- FY2008 financial results briefing to media and analysts and live webcast
- Briefing to media and analysts on CapitaLand rights issue
- Roadshow on CapitaLand rights issue (Singapore, US, Europe, Hong Kong)
- Release of 2008 Annual Report
- Credit Suisse Asian Investment Conference (Hong Kong)

2nd Quarter

- Annual General Meeting
- Release of 1Q2009 financial results
- Merrill Lynch Asian Stars Conference (Singapore)
- CLSA Corporate Access Forum (Singapore)
- JP Morgan Annual China Conference (China)

3rd Quarter

- 1H2009 financial results briefing to media and analysts and live webcast
- CLSA Investors Forum (Hong Kong)
- Exane Derivatives Asian Convertible Bonds Conference (Singapore)

4th Quarter

- Briefing to media and analysts on listing of CapitaMalls Asia
- Roadshow on listing of CapitaMalls Asia (US, London, Hong Kong)
- Release of 3Q2009 financial results
- Extraordinary General Meeting
- Media and Analysts Familiarisation Trip to China
- Morgan Stanley Asia Pacific Summit (Singapore)
- BNY Mellon Annual Depositary Receipt Issuers' Conference (Indonesia)

YEAR IN BRIEF



The Wharf Residence comprises 173 apartments and 13 beautifully conserved shophouses.

JANUARY

Ascott opened its first Citadines-branded serviced residence in Singapore, the 154-unit Citadines Singapore Mount Sophia. Ascott also entered Fontainebleau in France through management contracts for the 92-unit Residence l'Ermitage and the 66-unit Residence Clos St Merry.

CapitaLand, a joint venture between CapitaLand and Mubadala Development Company, signed a cooperation agreement with Abu Dhabi Finance to provide buyers with financing for new apartments in Rihan Heights.

MARCH

Ascott opened its first Citadines-branded serviced residence in Japan. Jointly owned by Ascott and Mitsubishi Estate Co Ltd, the 160-unit Citadines Tokyo Shinjuku is Ascott's 11th Citadines property to open in Asia.

CapitaLand raised S\$1.8 billion through a one-for-two rights issue of new shares at S\$1.30 each. The rights issue, which was 1.22 times subscribed, enhanced the Group's financial flexibility and competitive position. Trading of the rights shares began on 20 March 2009.

Over 130 CapitaLand offices, shopping malls and serviced residences in 13 countries participated in Earth Hour 2009, a global climate change initiative organised by WWF.

CapitaLand obtained Temporary Occupation Permit for the 545-unit RiverGate and for the 73-unit Scotts HighPark, both residential developments in Singapore.

APRIL

CapitaLand was recognised as a corporate sustainability leader by two international sustainability benchmarks. The Group is the only Singapore real estate company in the Dow Jones Sustainability Asia Pacific Index and the only Singapore company in the Sustainability Yearbook 2009.

Ascott celebrated 25 successful years as the top international serviced residence owner-operator. To mark the milestone, Ascott launched over 25 community initiatives worldwide and promotions including a grand prize of free stays for the next 25 years.

Australand established three Bilateral Debt Facilities with domestic banks, totalling A\$350 million (S\$361.8 million), as part of its capital management strategy. It also secured new lending covenants for the A\$950 million (S\$982 million) Multi-Option Facility.

MAY

CapitaLand released new units of The Wharf Residence, a 999-year leasehold condominium within Singapore's River Valley Conservation Area, to strong buyer response.

YEAR IN BRIEF



Somerset Garden City, Shenzhen is a 147-unit serviced residence located near Shenzhen's Shekou business district.

Ascott clinched a contract to manage the premier 282-unit Ascott Huai Hai Road Shanghai in China. The property is part of Hong Kong Plaza, a prestigious integrated lifestyle development. Ascott also opened the 250-unit Somerset Youyi, its second property in Tianjin.

CapitaLand increased its stake in Ankerite Pte Ltd, the CapitaLand-led consortium developing The Interlace condominium in Singapore, from 50% to 60%.

CapitaLand won the Cityscape Best Developer (Corporate Social Responsibility) Award for its CapitaLand Muchuan Green Hope School project in China's Sichuan Province. CapitaLand was recognised for showing outstanding social responsibility towards the community and environment.

CapitaLand won eight awards at the Building and Construction Authority (BCA) Awards 2009, including the Built Environment Leadership Gold Class (Developer Category) Award for demonstrating excellence and leadership in the built environment in Singapore.

JUNE

CapitaLand opened Raffles City Beijing's retail mall with strong lease commitments of nearly 90%.

CapitaLand launched the 'Raffles City' brand in Ningbo. Raffles City Ningbo is CapitaLand's fifth integrated development in China after Shanghai, Beijing, Chengdu and Hangzhou.

CapitaLand signed strategic co-operation agreements with Bank of China and Industrial and Commercial Bank of China to provide a credit limit allocation of up to RMB25 billion (S\$5 billion) to fund CapitaLand's growth plans across China.

Australand and its joint venture partner announced plans for a A\$300 million (S\$340.5 million) urban renewal project in Australia. To be completed by 2017, the 7.5-hectare project is the largest and most environmentally sustainable public housing redevelopment in Victoria.

Australand announced the full repayment of A\$563 million (S\$639 million) commercial mortgage-backed securities (CMBS) notes.

CapitaMalls Asia opened its first shopping mall in India – Forum Value Mall, Bangalore.

CapitaLand fully redeemed US\$477 million (S\$731 million) of Floating Rate Notes backed by receivables from RiverGate, a residential development in Singapore.

CapitaLand obtained Temporary Occupation Permit for The Metropolitan Condominium, a 382-unit condominium located on Alexandra Road in Singapore.

JULY

Ascott opened its first property in Chongqing and Shenzhen in China. They are the 157-unit Somerset JieFangBei, Chongqing and the 147-unit Somerset Garden City, Shenzhen.

CapitaLand formed the CapitaLand China Executive Committee (CCEC) to better co-ordinate and align its investments, operations, branding and resources in China.

CapitaLand strengthened its management bench with more of its younger senior officers, who had been groomed over the last several years, taking over leadership roles. The changes will bring CapitaLand to the next levels of growth and development.

Orchard Turn Developments, a joint venture between CapitaLand and Sun Hung Kai Properties, opened ION Orchard on 21 July. The 640,000-sq ft mall is strategically located in the heart of Orchard Road, Singapore's prime retail belt.

Australand announced a seven-for-10 non-renounceable pro-rata entitlement offer of new stapled securities at an offer price of A\$0.40 per new security to raise approximately A\$475 million (S\$556.7 million).

Dr Fu Yuning joined the CapitaLand Board as a non-executive independent director.

AUGUST

CapitaLand deployed about S\$1 billion from its rights issue proceeds to its China, Vietnam and serviced residence businesses, sharpening the Group's focus for the next phase of growth.

SEPTEMBER

CapitaLand's first private equity fund in China, the US\$61 million (S\$87.8 million) CapitaLand China Residential Fund, successfully matured, outperforming its target return.

Australand successfully completed its entitlement offer, raising approximately A\$475 million (S\$556.7 million). CapitaLand subscribed for its full entitlement and maintained its interest in Australand at approximately 59.3%.

CapitaLand China launched a campaign to recruit volunteer teachers for its CapitaLand Muchuan Green Hope School in Sichuan Province. Over 10,000 interested applicants signed up, and 26 were selected as volunteer teachers.

CapitaLand, together with its partners, unveiled the design for The Interlace. Designed by Ole Scheeren of the Office for Metropolitan Architecture, the condominium redefined the typography of residential developments in Singapore.

CapitaLand raised S\$1.2 billion through a seven-year convertible bond issue, the largest convertible bond issue for an Asian-listed issuer in 2009. This provided CapitaLand with one of the longest debt maturity profiles of any real estate company in Asia.

Phase one of The Interlace, comprising 360 units, was launched to strong response. The development has a total of 1,040 homes.

Following an asset swap arrangement with SZITIC Commercial Property Co., Ltd, CapitaLand took full ownership interest and management control of 22 Wal-Mart anchored malls, ensuring a better integration of CapitaLand's retail operations and investments in China.

CapitaLand was awarded the Watermark Award by PUB, Singapore's national water agency, in recognition of its strong management commitment to the water cause, active water management and conservation, and its community outreach programmes.

Ascott expanded its Vietnam presence through a management contract for its first serviced residence in Hai Phong, the country's third largest city. The 132-unit Somerset Central TD is Ascott's seventh property in Vietnam.

OCTOBER

CapitaLand announced plans to list its integrated shopping mall business to accelerate the growth of the business. The listing of CapitaMalls Asia would also increase the Group's overall financial capacity and flexibility to accelerate the growth of its other strategic business units.

CapitaLand completed the divestment of Raffles City Hangzhou to the Raffles City China Fund. The private equity fund's portfolio now comprises Raffles City Shanghai, Raffles City Beijing, Raffles City Chengdu and Raffles City Hangzhou.

CapitaLand divested its 30% stake in Inverfin Sdn Bhd, owner of the Menara Citibank office building in Kuala Lumpur, Malaysia, for RM147 million (S\$59.9 million), valuing the property at RM607.5 million (S\$247.4 million).

YEAR IN BRIEF



The approximately 1,500-unit Mulberry Lane is CapitaLand's first residential development in Hanoi, Vietnam.

Orchard Turn Developments, CapitaLand's joint venture company with Sun Hung Kai Properties, held the grand opening ceremony of ION Orchard. The iconic shopping destination in Singapore is well-committed with more than 97% of the mall leased, and 70% of its tenants are new-to-market brands.

CapitaLand fully redeemed US\$346 million (S\$490.4 million) of Floating Rate Notes backed by receivables from The Metropolitan Condominium and Scotts HighPark in Singapore.

CapitaLand formed the CapitaLand Vietnam Executive Committee to provide a platform to set strategic directions and foster synergies among business units operating in Vietnam.

CapitaLand received shareholder approval to proceed with the listing of CapitaMalls Asia.

NOVEMBER

Ascott opened its first serviced residence in Munich, Germany's third largest city. The 146-unit Citadines Munich Arnulfpark is Ascott's second property in the country. The company's other property in Germany is in Berlin.

CapitaLand started preview sales of the approximately 1,500-unit Mulberry Lane, its first residential development in Hanoi, Vietnam. Buyer response was strong and 82% (451 units) of the 549 units released have been sold.

Ascott clinched a contract to manage a serviced residence in Kuala Lumpur Sentral, the largest commercial and lifestyle development in Malaysia's capital. The 143-unit Ascott Sentral Kuala Lumpur is the second Ascott-branded property in Kuala Lumpur.

CapitaLand pledged a conservation donation to support the pair of giant panda cubs Singapore will receive from China. This conservation donation is yet another testament of CapitaLand's long-term commitment to China.

CapitaLand celebrated the 15th anniversary of the Group's entry into China with the launch of its "15 Years in China" exhibition at Raffles City Shopping Centre in Singapore.

CapitaLand pledged to build six more CapitaLand Hope Schools in China, bringing the total in the country to 15. The six new schools are located in Guangdong Province, Zhejiang Province and Inner Mongolia.

CapitaLand deployed the remaining S\$800,000 of its rights issue proceeds to CapitaMalls Asia.

CapitaLand was conferred the Corporate Citizen Award for Philanthropy by the National Volunteer & Philanthropy Centre. The award honours those who have set excellence benchmarks in encouraging the spirit of giving in Singapore.



CapitaLand Group President & CEO Liew Mun Leong unveiling the new master brand for CapitaLand's China operations during the Group's "15 Years in China" celebration in Shanghai.

The public offer of CapitaMalls Asia was 4.9 times subscribed while the placement tranche received aggregate demand of approximately 2.5 times. Trading of CMA shares on the Singapore Exchange commenced on 25 November. Post-listing, CapitaLand's effective interest in CMA stands at 65.5%.

DECEMBER

Ascott opened its first property in Georgia's capital, the 65-unit Citadines Tbilisi Freedom Square. The 162-unit Ascott Raffles City Beijing also opened in China, marking the first time an Ascott serviced residence has partnered with a Raffles City integrated lifestyle development.

CapitaLand unveiled a new master brand for its China operations at a gala dinner in Shanghai to celebrate the Group's 15th anniversary in China. The event was graced by Mr Sha Hailin, Deputy General Secretary of Shanghai Municipal Government, and Ms Ho Ching, Executive Director and CEO of Temasek Holdings.

Ascott launched its Citadines brand in Malaysia through a management contract for the 215-unit Citadines Kuching Uplands. It also secured a contract in China to manage the 160-unit Citadines Xi'an Xingqing Palace, its third property in Xi'an.

CapitaLand's first private equity fund in Malaysia, the US\$30.5 million (S\$42.3 million) Mezzo Capital, successfully matured, outperforming its target return.

CapitaLand started preview sales for Urban Suites, a 165-unit condominium in the Cairnhill area in Singapore's Orchard Road shopping district. Phase one units were fully sold to buyers who were prepared to purchase more than one unit.

Australand Property Trust exchanged unconditional contracts for the sale of the Australand-developed Coles Regional Distribution Centre at Goulburn, New South Wales for A\$64 million (S\$80.5 million).

CapitaLand sold two leasehold industrial properties – Kallang Avenue Industrial Centre and Kallang Bahru Complex – for a total consideration of S\$68 million. CapitaLand recognised a gain of approximately S\$19.1 million from the divestment.

**HEALTHY PIPELINE OF
OVER 2,600 HOMES IN
PRIME LOCATIONS**



RiverGate, Singapore

from left to right

TAN SEO LING

VP, Finance, CapitaLand
Residential Singapore Pte Ltd

COLIN WONG

SVP, Marketing & Sales,
CapitaLand Residential
Singapore Pte Ltd

ONG SIM LIAN

SVP, Design Management,
CapitaLand Residential
Singapore Pte Ltd

PATRICIA CHIA

CEO, CapitaLand Residential
Singapore Pte Ltd

LEE YEW KWUNG

SVP, Project Development
& Management, CapitaLand
Residential Singapore Pte Ltd

ANSON LIM

VP, Investment, CapitaLand
Residential Singapore Pte Ltd



CAPITALAND RESIDENTIAL SINGAPORE

Singapore real estate market sentiments were extremely bearish in early 2009 as global economies strived to recover from the unprecedented global financial crisis. Market sentiments improved sharply in the second and third quarters of the year as the global financial situation stabilised and economies worldwide showed signs of recovery.

Against this backdrop, CapitaLand's financial strength and low level of completed stock enabled its Singapore residential business to maintain a high degree of operational flexibility. In 2009, it achieved a positive set of earnings underpinned by contributions from strong sales achieved in previous years.

TIMING LAUNCHES AND REDEFINING RESIDENTIAL DESIGN

In 2009, CapitaLand turned in a strong sales performance, selling close to 600 homes with a total sales value of approximately S\$1.2 billion. The average value achieved for each home sold is approximately S\$2 million.

CapitaLand released new units for sale at The Wharf Residence during the year. The 999-year leasehold development, comprising 173 contemporary apartments and 13 conserved Vintage Collection homes, is about 93% sold. The overwhelming response was due to the project's excellent location in the River Valley Conservation Area.

During the year, The Interlace condominium, located on the former Gillman Heights Condominium site at Alexandra Road, was launched. About 80% of the phase one launch of 360 homes have been sold. Designed by

the Office for Metropolitan Architecture, the condominium will have 1,040 homes. Its unconventional design, comprising interlocking blocks stacked in a hexagonal arrangement, redefined the standard typography of residential developments in Singapore.

In mid-December, CapitaLand started preview sales for Urban Suites, a 165-unit condominium located within the Cairnhill area, in Singapore's prime Orchard Road shopping district. Phase one units were sold to buyers who were prepared to purchase more than one unit. To date, CapitaLand has sold about 90% of the project.

In 2009, CapitaLand handed the keys for over 1,000 homes at three developments – RiverGate, Scotts HighPark and The Metropolitan Condominium – to their owners. It also fully redeemed two Floating Rate Notes issues, worth a total of US\$823 million (S\$1.2 billion), backed by the receivables of these three residential developments.

CapitaLand garnered a number of accolades for its developments during the year. At the Building and Construction Authority (BCA) Awards, The Wharf Residence and Urban Suites were conferred Green Mark Gold awards while Citylights clinched a Construction Excellence Award. Citylights was also awarded the Silver Award (Residential Projects Implementation) by the Landscape Industry Association of Singapore.

LOOKING AHEAD

Going forward, Singapore's economic prospects are expected to improve, coupled with rising business and consumer confidence. The opening of the two integrated resorts in 2010 is widely anticipated to benefit the Singapore residential market, with prime projects attracting strong interest from both local and foreign buyers.

CapitaLand's strategy is to focus on well-located projects in the mid to high-end segments of the market and to time launches according to market conditions. It will continue to benefit from progressive profit recognition of strong sales achieved in previous years.

**2.8 MILLION-SQUARE-METRE
PROPERTY PORTFOLIO IN
KEY CITIES**



The Pines, Beijing, China

from left to right

HOON TECK MING

Regional GM, Southwest China,
CapitaLand China Holdings
Pte Ltd

LUCAS LOH

Chief Investment Officer and
Regional GM, South China,
CapitaLand China Holdings
Pte Ltd

CHAN BOON SENG

Chief Development Officer
and Regional GM, East
China, CapitaLand China
Holdings Pte Ltd

JASON LEOW

CEO, CapitaLand China
Holdings Pte Ltd

STEVE GONG

Chief Financial Officer,
CapitaLand China
Holdings Pte Ltd

HAN WEI

Regional Deputy GM,
North China, CapitaLand
China Holdings Pte Ltd



CAPITALAND CHINA

In 2009, CapitaLand celebrated the 15th anniversary of its entry into China. Today, CapitaLand China is a successful model of CapitaLand Group's efforts to transfer its real estate knowledge internationally.

One of the top foreign developers in China, CapitaLand's presence spans the residential, commercial, integrated development, financial, retail and serviced residence sectors. Its multi-region and multi-sector business model continued to provide a diversified earnings base despite the global financial crisis.

STRONG OPERATIONAL PERFORMANCE

Transaction volumes for home sales picked up significantly in the second half of the year. Home prices rose in tandem, supported by strong fundamentals, improvement in buyer confidence, and a low level of supply in China's key cities. In 2009, CapitaLand China sold close to 2,400 homes in Beijing, Shanghai, Hangzhou, Ningbo, Foshan and Chengdu, with total sales value of approximately RMB5 billion (S\$1 billion). New launches included The Loft in Chengdu and three projects in Foshan, namely Beau Residences, Riverside Ville and The Riviera.

During the year, CapitaLand opened Raffles City Beijing, which comprises a Grade A office tower, retail mall and Ascott Raffles City Beijing. It also extended the 'Raffles City' brand to Ningbo. Raffles City Ningbo will be an office, dining, shopping and lifestyle destination. Construction has started on Raffles City Ningbo, and planning and design is underway for Raffles City Hangzhou.

POSITIONING FOR THE NEXT PHASE OF GROWTH

Paving the way for the Group's next phase of growth in China, CapitaLand formed the CapitaLand China Executive Committee to better manage and synchronise

its investments, operations, branding and resources there. To support its expansion plans in China, CapitaLand signed strategic co-operation agreements with Bank of China and Industrial and Commercial Bank of China for a credit limit allocation of up to RMB25 billion (S\$5 billion) and deployed an additional S\$500 million to grow the residential business.

In conjunction with its 15th anniversary celebrations in China, CapitaLand unveiled a new master brand for its operations in the country. It also pledged to build another six CapitaLand Hope Schools, bringing the total in China to 15.

DOUBLING THE DEVELOPMENT PIPELINE

In early 2010, CapitaLand signed an agreement to acquire Orient Overseas Developments Limited for a purchase consideration of US\$2.2 billion (approximately S\$3.1 billion). With this, CapitaLand China acquired a real estate business with a portfolio of seven prime sites located in Shanghai, Kunshan and Tianjin. The acquisition doubled CapitaLand's China property portfolio from 1.4 million sqm to 2.8 million sqm and increased the Group's assets in China to approximately 36% of total assets. With the newly acquired sites, there will be opportunities to build homes, offices, shopping malls and serviced residences.

LOOKING AHEAD

CapitaLand remains confident of China's long-term growth potential and the country continues to be one of its key markets for growth. The Group plans to launch an average of 3,000 homes annually.

Over the last 15 years, CapitaLand has steadily built a long-term business in China by re-investing its profits and developing a talent base that is more than 95% local. This places the company in a strong position to further strengthen its presence in China.

OWN/MANAGE OVER
5.7 MILLION SQUARE FEET
OF COMMERCIAL AND
INDUSTRIAL SPACE
IN SINGAPORE



Capital Tower, Singapore

from left to centre

JESSIE YONG
SVP, Marketing & Leasing,
CapitaLand Commercial Limited

WONG JEN LAI
SVP, Investment & Asset
Management, CapitaLand
Commercial Limited

CHEN LIAN PANG
CEO (Southeast Asia),
CapitaLand Commercial Limited

from centre to right

EE CHEE HONG
CEO, CapitaLand
Commercial Limited

CHAN SAY YEONG
MD (Malaysia), CapitaLand
Commercial Limited

HAZEL CHEW
SVP, Finance & Corporate Services,
CapitaLand Commercial Limited

POON HIN KONG
SVP, Design & Development,
CapitaLand Commercial Limited



CAPITALAND COMMERCIAL

CapitaLand is one of the largest owners/managers of office properties in the Singapore Downtown Core. It owns/manages commercial space directly, through joint ventures or through CapitaCommercial Trust (CCT). It also owns several industrial properties.

Overseas, it owns/manages commercial and residential projects in the key growth market of Vietnam as well as in Thailand, Malaysia, India, Japan and the United Kingdom.

RESILIENT PORTFOLIO

CapitaLand's office portfolio in Singapore, mainly through CCT, remained resilient despite challenging market conditions. CCT's overall portfolio and Grade A office properties achieved above-market committed occupancy rates of 94.8% and 98.7% respectively, as at end-2009.

In 2009, CapitaLand successfully divested three non-core assets despite the downturn, gaining a total of about S\$22 million. Two industrial properties in Singapore – Kallang Avenue Industrial Centre and Kallang Bahru Complex – were sold for S\$68 million. In Malaysia, it divested its 30% stake in Menara Citibank, a 50-storey office building, for RM147 million (S\$59.9 million). The sales proceeds will be recycled to reconstitute its commercial portfolio.

FOCUS ON VIETNAM HIGH-GROWTH MARKET

For Vietnam, CapitaLand deployed S\$299 million to strengthen its presence in the real estate sector in the Group's fourth and newest core market.

It currently has a development pipeline of four residential projects with over 4,000 quality apartments in Ho Chi Minh City and Hanoi. CapitaLand will continue to leverage on the country's strong economic growth, rapid urbanisation and the increasing affluence of its

growing population. It targets to grow its business in Vietnam from the current 1% to 10% of total assets over the next three to five years.

In Hanoi, CapitaLand received positive buyer response during the preview sales of Mulberry Lane, located in Ha Dong District in the Mo Lao New Urban Area. About 82% of 549 units released were sold. CapitaLand holds a 70% stake in the approximately 1,500-unit project while its Vietnamese partner, Hoang Thanh, holds the remaining 30%. Following the success of Mulberry Lane, the partners have agreed to jointly develop a second residential project on a 14,000-square metre site in Hanoi.

OTHER MARKETS

CapitaLand's 40%-owned joint venture company in Thailand, TCC Capital Land, successfully launched Villa Asoke, a 525-unit condominium located in the heart of Bangkok City. About 60% has been booked. It also completed construction of The Emporio Place condominium in Bangkok.

In Malaysia, CapitaLand's commercial investments are made mainly through the Malaysia Commercial Development Fund and Quill Capita Trust, a commercial real estate investment trust which owns 10 quality properties. In India, construction at its maiden residential project, The Orchard Residency, is over 50% completed while planning for an IT park/office complex in Navi Mumbai is underway. In Japan, construction is ongoing for an office-cum-condominium project located in Tokyo's prime Shinjuku district.

LOOKING AHEAD

In Singapore, business confidence has started to improve with office rentals showing signs of stabilising. The steady recovery of the economy will drive continual growth in office demand. CapitaLand will continue efforts to enhance its portfolio and redeploy capital to its core office business in Asia. It will also focus on Vietnam, which is a new, high-growth market for the Group.

**86 PROPERTIES ACROSS
48 CITIES WITH 66.6 MILLION
SQUARE FEET OF RETAIL SPACE**



ION Orchard, Singapore

from left to centre

GOH SOON YONG
CEO, China,
CapitaMalls Asia Limited

TOH KIM SAI
Deputy Chief
Development Officer,
CapitaMalls Asia Limited

KEVIN CHEE
Country Head, India,
CapitaMalls Asia Limited

SHARON LIM
Country Head, Malaysia,
CapitaMalls Asia Limited

SIMON HO
CEO,
CapitaMall Trust Management Limited,
Singapore

from centre to right

LIM BENG CHEE
CEO,
CapitaMalls Asia Limited

NG KOK SIONG
Chief Financial Officer,
CapitaMalls Asia Limited

JESLINE GOH
Deputy Country Head,
Singapore,
CapitaMalls Asia Limited

TONY TAN
Deputy Chief Financial Officer,
CapitaMalls Asia Limited

SIMON YONG
Chief Development Officer,
CapitaMalls Asia Limited

KEK CHEE HOW
Country Head, Japan,
CapitaMalls Asia Limited



CAPITALAND RETAIL

In 2009, CapitaLand's integrated shopping mall business, CapitaMalls Asia (CMA) continued to strengthen its position as a leading shopping mall developer, owner and manager in Asia. As at end-2009, CMA had 86 properties across 48 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$20.4 billion and gross floor area (GFA) of about 66.6 million square feet (sq ft). As at end-2009, 60 malls are operational while another 26 will open over the next few years.

ASIA'S LEADING SHOPPING MALL DEVELOPER, OWNER AND MANAGER

In 2009, CMA successfully opened ION Orchard in Singapore. The 640,000 sq ft landmark retail development in the heart of Orchard Road has become the "must visit" shopping destination. It is more than 97% leased, and receives over 4.5 million visitors monthly. About 86% of the 175 apartments in The Orchard Residences – the residential component above ION Orchard – have also been sold for more than S\$1.2 billion to-date.

In China, CMA was named one of the country's Top 10 Most Influential Retail Real Estate Companies. As at end-2009, CMA had 50 malls across 33 cities, with a total GFA of 43.4 million sq ft. Of these, 33 malls were operational, including nine which opened in 2009.

In India, CMA opened its first shopping mall, Forum Value Mall in Bangalore, with about 94% committed leases. In Malaysia, CMA enhanced Mines Shopping Fair in Selangor and raised its occupancy from about 83% at acquisition to about 98% as at end-2009. For Japan, the reconfiguration of Chitose Mall in Hokkaido was completed during the year.

CMA was listed in November to accelerate the growth of the business. The S\$2.8 billion initial public offering (IPO) was Singapore's largest in 16 years. As at end-2009, CMA's market capitalisation was approximately S\$9.9 billion, making it one of the 20 largest companies listed on the Singapore Exchange.

With the corporate reorganisation in November 2009 for the IPO, CMA acquired interests in the managers of CapitaMall Trust (CMT) and CapitaRetail China Trust (CRCT), as well as the managers of the six private real estate funds.

CMT is Singapore's first and largest real estate investment trust (REIT) by asset size and market capitalisation. As at end-2009, CMT's total asset size was S\$7.4 billion, comprising 14 retail properties strategically located in Singapore's suburban areas and downtown core. CMT's operational malls maintain close to full occupancy and enjoy high monthly shopper traffic. CMA has an effective 29.9% interest in CMT.

CRCT is Singapore's first China shopping mall REIT. As at end-2009, CRCT's total asset size was S\$1.2 billion, comprising eight quality shopping malls in Beijing, Shanghai, Anhui Province, Henan Province and Inner Mongolia. CMA has an effective 27.1% interest in CRCT.

LOOKING AHEAD

Going forward, CMA will capitalise on Asia's high consumption growth. It will actively strengthen its presence in the key markets of Singapore, China and Malaysia, where there are opportunities for reconstituting and redevelopment of properties, and acquisitions.

**OVER 25,000 APARTMENT
UNITS IN 67 CITIES AND
22 COUNTRIES**



Ascott Raffles City Beijing, China

from left to centre

ALFRED ONG

Managing Director,
Southeast Asia & Australia,
The Ascott Limited

WONG HOEE WAI

Chief Development Officer,
The Ascott Limited

TAN CHOON KWANG

Managing Director, Europe,
The Ascott Limited

CHONG KEE HIONG

Deputy CEO, Finance &
Investment, The Ascott Limited;
CEO, Ascott Residence Trust
Management Limited

from centre to right

LIM MING YAN

CEO, The Ascott Limited;
Deputy Chairman, CapitaLand
China Executive Committee

TONY SOH

Chief Corporate Officer,
The Ascott Limited

YEONG LAI MENG

Senior Vice President, Finance,
The Ascott Limited

LEE CHEE KOON

Managing Director, North Asia,
The Ascott Limited

RONALD TAY

Chief Investment Officer,
The Ascott Limited



CAPITALAND SERVICED RESIDENCES

In 2009, CapitaLand's serviced residence business unit, The Ascott Limited (Ascott), celebrated 25 successful years in the business. In 1984, Ascott pioneered Asia Pacific's first international-class serviced residence while its Citadines brand started operations in Europe. Since then, Ascott has grown to become the world's largest international serviced residence owner-operator with over 25,000 apartment units in 67 cities and 22 countries across the Asia Pacific, Europe and the Gulf region.

CONTINUED GLOBAL EXPANSION

During the year, Ascott continued to strengthen its leadership by expanding globally with its three brands – Ascott, Somerset and Citadines – both in the cities where it currently operates and in other cities.

With its excellent international branding and strong hospitality capabilities, Ascott clinched seven contracts to manage over 1,000 apartment units across six cities in the Asia Pacific and Europe. Through these management contracts, Ascott expanded its presence in several Asian cities. Ascott strengthened its lead in China with new properties in Shanghai and Xi'an; entered Vietnam's third largest city, Hai Phong; and boosted its presence in Malaysia with properties in Kuala Lumpur and in Kuching. In Europe, Ascott entered Fontainebleau in France through management contracts for two residences owned by INSEAD, a leading graduate business school.

2009 also saw Ascott opening 10 new serviced residences with 1,400 apartment units across nine cities in the Asia Pacific and Europe. These included Ascott's first

property in five new cities – Chongqing and Shenzhen in China, Fontainebleau in France, Tbilisi in Georgia and Munich in Germany – and its first Citadines-branded property in Japan and Singapore. Ascott also opened its second and fifth serviced residence in China's Tianjin and Beijing respectively.

ENHANCED COMPETITIVE ADVANTAGE

Ascott continued to enhance its hospitality management systems and embarked on a refurbishment programme for its properties in Australia, Indonesia, Malaysia, Singapore, Vietnam, France and the United Kingdom to ride on the expected increase in demand as the economy recovers in 2010. This will strengthen Ascott's leadership position and set it further apart from its competitors. Ascott also continued to actively manage its portfolio of assets. It monetised assets in countries including China and Vietnam with total proceeds of S\$160 million for reinvestment in higher-yielding assets.

As Ascott expanded globally and enhanced its competitive edge, it garnered over 20 prestigious awards for its strong brand reputation, outstanding service and management excellence in 2009. These included "Best Serviced Residence Brand" at the Business Traveller Asia-Pacific Awards 2009 and "Best Serviced Residence Operator" at the TTG Travel Awards 2009.

LOOKING AHEAD

CapitaLand has deployed additional funds to expand Ascott's business. As part of Ascott's next phase of growth, it will actively secure more management contracts, source for investment opportunities and upgrade its hospitality capabilities and properties. Ascott expects to open about 6,000 apartment units in 29 new properties worldwide by 2013. These include over 2,700 apartment units in 13 new properties which will open in 2010.

**RIHAN HEIGHTS, PHASE 1 OF
ARZANAH – 868 RESIDENTIAL UNITS
UNDER CONSTRUCTION**



Rihan Heights, Phase 1 of Arzanah, Abu Dhabi, United Arab Emirates

from left to right

KU WEI SIONG

SVP, CapitaLand GCC
Holdings Pte. Ltd.

WONG HEANG FINE

CEO, CapitaLand ILEC Pte. Ltd.
and CapitaLand GCC Holdings
Pte. Ltd.

YIP HOONG MUN

Deputy CEO, CapitaLand
ILEC Pte. Ltd.



CAPITALAND INTEGRATED DEVELOPMENTS

CapitaLand pursues integrated developments with leisure, entertainment and conventions as their key themes. The Group's competitive edge is its ability to integrate these themes with real estate sectors like residential, retail and serviced residences. CapitaLand currently has eight integrated developments in Singapore, Bahrain, China and the United Arab Emirates (UAE).

GULF COOPERATION COUNCIL (GCC) REGION

In the oil-rich UAE, CapitaLand's landmark project is Arzanah, a unique integrated development surrounding the iconic Zayed Sports City in Abu Dhabi. Capitala, a joint venture company between Mubadala Development Company and CapitaLand, was formed to develop Arzanah. The flagship US\$5-6 billion development will be developed in phases on a sprawling 1.4 million square metre site. It will offer quality residences with leisure, sports and retail amenities and a concept focusing on an active urban lifestyle for its residents and community at large. Its master plan was designed by award-winning firms, Sasaki Associates and SMC Alsop. Main construction work on Rihan Heights – the first phase of Arzanah – is about 21% completed. The residential project is on track for completion by the first half of 2011.

In Bahrain, CapitaLand is managing Raffles City Bahrain, which is owned by Raffles City Bahrain Fund, a Shari'ah-compliant private equity fund. Preliminary redesign work on the integrated residential, retail and serviced residence development has been completed and in-principle approvals have been received from the local planning authorities. Construction of substructure works has also been substantially completed.

In 2009, the outlook for the GCC region turned pessimistic. Having weathered previous crises, CapitaLand decided to maintain a cautious stance early in the year, pacing the progress of its development projects there with market conditions. In the fourth quarter of 2009, global markets were rocked by the unexpected news of Dubai World seeking a standstill on its debt payments. While the subsequent bailout by Abu Dhabi has calmed global markets, the real estate markets in Dubai and Abu Dhabi continue to be depressed. Not surprisingly, Bahrain has also been affected by the overall negative sentiment.

In view of the continued uncertainty, CapitaLand will maintain flexibility in moving forward its projects in the GCC region, reviewing the various options in accordance with market conditions.

ASIA

Raffles City in Singapore is an iconic landmark with retail, office, convention and hotel components. In China, there are currently five Raffles City integrated developments in Shanghai, Beijing, Chengdu, Hangzhou and Ningbo.

In Macau, CapitaLand owns a 20% interest in Macao Studio City, Asia's first integrated leisure resort combining studios, retail, entertainment and hotels. In Kazakhstan, the Group has a 70% stake in a residential-cum-serviced residence site in Almaty, a major city. Planning for these two integrated development projects is underway.

LOOKING AHEAD

CapitaLand will actively expand its portfolio of integrated developments in Asia under the Raffles City brand while adopting a prudent approach for its existing integrated development projects in the GCC region, Macau and Kazakhstan.

**LEADING ASIA-BASED REIT
AND FUND MANAGER
– ORIGINATED FIVE REITS
AND 19 REAL ESTATE
PRIVATE EQUITY FUNDS**



Raffles City Hangzhou, China

from left to right

CHONG KEE HIONG

CEO, Ascott Residence Trust
Management Limited

ANG SIEW YAN

Deputy CEO, CapitaLand
Financial Limited

LUI CHONG CHEE

CEO, CapitaLand Financial
Limited

JASON LEOW

CEO, CapitaLand Financial
Limited (China Development)

LYNETTE LEONG

CEO, CapitaCommercial Trust
Management Limited

CHAN SAY YEONG

CEO, Quill Capita
Management Sdn Bhd



CAPITALAND FINANCIAL SERVICES

CapitaLand's real estate fund management and financial advisory services arm, CapitaLand Financial (CFL), has established a strong track record in real estate financial services as the leading Asia-based real estate fund and real estate investment trust (REIT) manager. Its capabilities include real estate capital management, structured financing, property fund management and advisory services.

CAPITAL-EFFICIENT STRATEGY

REITs and private equity real estate funds are an integral part of the Group's capital-efficient business model, enabling it to recycle capital and to develop, warehouse and incubate retail, office, residential, serviced residence and integrated developments. CFL has originated a portfolio of five REITs and 19 real estate private equity funds, four of which have successfully matured to date.

STRONG FUND MANAGEMENT CAPABILITIES

In 2009, two private equity funds – the US\$61 million (S\$87.8 million) CapitaLand China Residential Fund and the US\$30.5 million (S\$42.3 million) Mezzo Capital – successfully matured, exceeding target returns. CapitaLand also divested Raffles City Hangzhou to its US\$1 billion (S\$1.4 billion) Raffles City China Fund, increasing the fund's portfolio to four Raffles City-branded developments.

STRONG DISTRIBUTIONS FROM SPONSORED REITS

Despite the global downturn, CapitaLand's five sponsored REITs performed well. The REIT managers continued to build resilience in their portfolios through active asset enhancements, proactive leasing strategies and reconstitution of their portfolios. The REITs achieved solid distribution growth. Together they contributed a total distribution of S\$167.8 million to the Group in 2009, an increase of 28%.

CapitaCommercial Trust (CCT) is Singapore's first and largest commercial REIT by asset size and market capitalisation. As at 31 December 2009, CCT's total asset size is S\$6.1 billion, comprising 11 prime commercial properties in Singapore. CapitaLand currently owns a 31.6% interest in CCT. In a challenging market, CCT successfully raised S\$1.6 billion which enhanced its financial flexibility and strengthened its balance sheet.

Ascott Residence Trust (Ascott Reit), the world's first Pan-Asian serviced residence REIT, has 38 properties with 3,644 units across seven countries, and a portfolio value of S\$1.56 billion as at end-2009. Its geographical diversification and extended stay business model continued to add resilience to its performance while prudent capital and risk management allowed it to weather the credit crisis with a strong balance sheet. With available debt capacity, Ascott Reit acquired Somerset West Lake, Hanoi in Vietnam. CapitaLand has a 47.5% stake in Ascott Reit.

Quill Capita Trust (QCT) is CapitaLand's first overseas REIT which was listed on Bursa Malaysia's Main Board in 2007. CapitaLand has an effective stake of 9.5% in QCT through CCT. As at end-2009, QCT had an asset base of over RM818 million (S\$333 million), comprising 10 quality commercial properties in Malaysia. QCT's tenants include subsidiaries of multinational companies.

In November 2009, with the listing of CapitaMalls Asia (CMA), the managers of five retail private equity funds and two retail REITs, CapitaMall Trust and CapitaRetail China Trust, were transferred to CMA.

LOOKING AHEAD

CapitaLand will continue to strengthen its fund management business by growing its assets under management through accretive acquisitions and asset enhancements. With recovery in the global economy, investor sentiment has improved. CapitaLand will originate new funds and real estate financial products, with a focus in Asia, to tap on the renewed investor appetite.

**RESIDENTIAL DEVELOPMENT
PIPELINE OF 23,200 LOTS AND
INVESTMENT PROPERTY PORTFOLIO
VALUE OF APPROXIMATELY
A\$2.0 BILLION (S\$2.5 BILLION)**



North, Sydney, Australia

from left to centre

KIERAN PRYKE

Chief Financial Officer,
Australand Property Group
(from 1 March 2010)

SEAN MCMAHON

Executive General Manager
(Commercial & Industrial),
Australand Property Group

ROD FEHRING

Executive General Manager
(Residential),
Australand Property Group
(from 22 March 2010)

from centre to right

BOB JOHNSTON

Managing Director & CEO,
Australand Property Group

CHRIS WARRELL

Executive General Manager
(Human Resources),
Australand Property Group

MICHAEL NEWSOM

General Counsel,
Australand Property Group

BEV BOOKER

Company Secretary,
Australand Property Group



AUSTRALAND PROPERTY GROUP

CapitaLand's listed subsidiary Australand has been involved in property development for approximately 85 years. Its activities span Australia and cover the development of residential land, housing and apartments; development of and investment in income-producing commercial and industrial properties; and property management. As at end-2009, Australand had a staff strength of close to 500 people, and a market capitalisation of approximately A\$1.3 billion (S\$1.6 billion).

STRONG OPERATING PERFORMANCE

Australand achieved a solid result with net operating profit after tax of A\$120 million (S\$151 million), with contributions from its three key operating divisions, namely Residential, Commercial & Industrial and Investment Property. Australand continued to focus on prudent capital management to ensure a strong capital and liquidity position throughout 2009.

The residential market benefited from the Australian government's first-home owner boost. Interest from second and third time buyers and investors rose towards the end of the year on the back of improved consumer sentiment and economic outlook. In 2009, Australand sold over 1,550 residential lots, houses and apartments valued at A\$588 million (S\$739 million). It also secured a A\$300 million (S\$340.5 million) urban renewal project in Carlton, Victoria, together with a joint venture partner. The 7.5-hectare project, with over 500 homes, will be the largest and one of the most environmentally sustainable public housing redevelopments in Victoria. Australand has a residential development pipeline comprising 23,200 lots under management across land communities, housing and apartment developments.

The Commercial & Industrial division maintained its leadership position in the industrial sector due to its diversified operating platform. Over 104,000 sqm of commercial and industrial projects were delivered.

As at end-2009, the Investment Property division had a total portfolio value of approximately A\$2.0 billion (S\$2.5 billion) comprising 70 properties and a total lettable area of 1.2 million sqm. The portfolio continued to deliver secure, predictable earnings. Occupancy remained strong at 99.4% with a weighted average lease term of approximately six years. In December 2009, Australand Property Trust entered into an unconditional exchange of contracts for the sale of the Coles Regional Distribution Centre at Goulburn, New South Wales, for A\$64 million (S\$80.5 million) as part of its strategy to recycle capital and maintain strong portfolio metrics.

CAPITALISING ON THE STRENGTHENING ECONOMY

Australand continued to actively manage its capital position during the year. It established three Bilateral Debt Facilities with domestic banks totalling A\$350 million (S\$361.8 million) and new lending covenants for its A\$950 million (S\$982 million) Multi-Option Facility. Australand also successfully completed a A\$475 million (S\$556.7 million) Entitlement Offer. The equity raising strengthened Australand's liquidity position and funding capacity to take advantage of opportunities that emerge.

GOING FORWARD

Australand has emerged from 2009 in sound financial shape. With its improved liquidity position and strong underlying business platform underpinned by recurring earnings, Australand is well-positioned to take advantage of the improving economic conditions in the commercial, industrial and residential markets.

AWARDS AND ACCOLADES

In 2009, CapitaLand Group and its properties clinched over 100 awards and accolades. Some of the accolades are listed below.

CORPORATE AWARDS

CAPITALAND

- Best Developer Globally (2nd)
Euromoney Real Estate Awards 2009
- Best Mixed-Use Developer Globally (2nd)
Euromoney Real Estate Awards 2009
- Best Developer in Asia (2nd)
Euromoney Real Estate Awards 2009
- Best Retail Developer in Asia
Euromoney Real Estate Awards 2009
- Best Developer in China (2nd)
Euromoney Real Estate Awards 2009
- Best Retail Developer in China
Euromoney Real Estate Awards 2009
- Best Developer in Singapore
Euromoney Real Estate Awards 2009
- Best Residential Developer in Singapore
Euromoney Real Estate Awards 2009
- Best Mixed-Use Developer in Singapore
Euromoney Real Estate Awards 2009
- Best Retail Developer in Singapore
Euromoney Real Estate Awards 2009
- Grand Prix for Best Overall Investor Relations (Large Cap) (Highly Commended)
IR Magazine South East Asia Awards 2009
- Olivier Lim – Best Investor Relations by a CFO
IR Magazine South East Asia Awards 2009
- Olivier Lim – Best CFO (Singapore Category) (2nd)
FinanceAsia Asia's Best Companies Poll 2009
- Harold Woo – Best Investor Relations Professional (Large Cap)
IR Magazine South East Asia Awards 2009
- Harold Woo – Best Investor Relations Professional Asia-Pacific
IR Magazine South East Asia Awards 2009
- Jonathan Kuah – Best Investor Relations Officer in Singapore
Asiamoney Corporate Governance Poll 2009
- Overall Best Company in Singapore for Corporate Governance
Asiamoney Corporate Governance Poll 2009
- Best for Disclosure and Transparency in Singapore
Asiamoney Corporate Governance Poll 2009
- Most Transparent Company (Property Category)
Securities Investors Association (Singapore) Investors' Choice Awards 2009

- Built Environment Leadership Award (Gold Class)
Building and Construction Authority (BCA) Awards 2009
- Corporate Citizen Award for Philanthropy
National Volunteerism & Philanthropy Awards 2009
- CapitaLand Muchuan Green Hope School – Best Developer (Corporate Social Responsibility)
2009 Cityscape Awards for Real Estate in Asia
- Watermark Award 2009
PUB
- Wong Hooe Wai – EcoFriend Award 2009 (Private Sector)
National Environment Agency

CAPITALAND CHINA HOLDINGS

- Most Outstanding International Brand
China Real Estate Chamber of All-China Federation of Industry & Commerce and ihome Magazine 2008-2009 Real Estate Annual Awards
- 2009 Outstanding Corporate Citizen of China
China Committee of Corporate Citizenship
- Outstanding Charitable Contributions to China
China Charity Foundation 15 Years Founding Ceremony
- Most Creative Idea for Earth Hour
WWF (China)
- Progressive Charitable Enterprise
Jiangbei District People's Government of Ningbo

CAPITAMALLS ASIA

- China's Top 10 Most Influential Retail Real Estate Company Award 2009
China Commercial Real Estate Association and Ministry of Commerce, Circulation Industry Promotion Center
- Wal-Mart Partnership Award 2009
- Gold Award (Marketing: Community Relations Category – Corporate, Company or Joint Centre)
International Council of Shopping Centers 2009 Asia Shopping Centre Awards

CAPITALAND (VIETNAM) HOLDINGS

- Golden Dragon Award 2009 (High Quality Service)
Vietnam Economic Times
- Golden Dragon Award 2008 (High Quality Service)
Vietnam Economic Times

THE ASCOTT LIMITED

- Ascott – Best Serviced Apartment Company (1st)
Business Traveller UK Awards 2009
- Citadines – Best Serviced Apartment Company (2nd)
Business Traveller UK Awards 2009
- Best Serviced Residence Brand
Business Traveller Asia-Pacific Awards 2009
- Best Serviced Residence Brand in China
Business Traveller China Awards 2009
- Best Serviced Residence Operator
TTG Asia Media's TTG Travel Awards 2009

- Best Serviced Residence Operator in China
TTG Asia Media's TTG China Travel Awards 2009
- Golden Dragon Award 2009 (Best Service)
Vietnam Economic Times
- Golden Dragon Award 2008 (Best Serviced Residence Brand)
Vietnam Economic Times
- Certificate of Excellence
Vietnam Economic Times' The Guide Awards 2008-2009
- Top Serviced Apartment Vendor
Human Resources Magazine's HR Vendors of the Year 2009

TCC CAPITAL LAND

- Best Developer
Property Report Thailand's Thailand Property Awards 2009
- International Arch of Europe Award (Platinum Category)
Business Initiative Directions' 35th BID International Arch of Europe Convention 2009

CAPITACOMMERCIAL TRUST

- Best Mid-cap Company
FinanceAsia Asia's Best Managed Companies Poll 2009

CAPITAMALL TRUST

- Best Annual Report, Gold Award (REITs & Business Trusts)
Singapore Corporate Awards 2009

CAPITARETAIL CHINA TRUST

- Best Annual Report, Bronze Award (REITs & Business Trusts)
Singapore Corporate Awards 2009

RESIDENTIAL DEVELOPMENTS

SINGAPORE

Citylights

- Construction Excellence Award 2009
BCA Awards 2009
- Silver Award (Implementation Projects, Residential)
Landscape Industry Association of Singapore Awards of Excellence 2009

The Wharf Residence

- Green Mark Gold
BCA Awards 2009

Urban Suites

- Green Mark Gold
BCA Awards 2009

CHINA

La Capitale

- Outstanding Regional Project
China Real Estate Chamber of All-China Federation of Industry & Commerce and ihome Magazine 2008-2009 Real Estate Annual Awards

The Loft Chengdu

- Top 10 International Residences in Chengdu
Chengdu Housing and Land Administrative Bureau and Sichuan Provincial People's Association for Friendship with Foreign Countries

The Pines

- Outstanding Regional Project
China Real Estate Chamber of All-China Federation of Industry & Commerce and ihome Magazine 2008-2009 Real Estate Annual Awards

The Riviera

- 2009 Top 10 High-end Residential Projects in Guangzhou and Foshan
Guangzhou & Foshan Real Estate Association and Media in Guangzhou and Foshan

AWARDS AND ACCOLADES

THAILAND

The Royal Residence

- Best Asia Pacific Development Website
CNBC Asia Pacific Residential Property Awards 2009

COMMERCIAL DEVELOPMENTS

SINGAPORE

Capital Tower

- Green Mark Gold
BCA Awards 2009

Six Battery Road

- Fire Safety Excellence Award
National Fire and Civil Emergency Preparedness Council and Singapore Civil Defence Force

RETAIL DEVELOPMENTS

SINGAPORE

ION Orchard

- MIPIM Asia Awards 2009
(Shopping Centre Category)

Sembawang Shopping Centre

- Green Mark Gold
BCA Awards 2009

The Atrium @ Orchard

- Water Efficient Building Award 2009
PUB

Site at one-north

- Green Mark Gold
BCA Awards 2009

CHINA

Wangjing Mall

- Operation Award
Mall China Golden Mall Awards 2008-2009

SERVICED RESIDENCES

SINGAPORE

Ascott Raffles Place Singapore

- 2009 URA Architectural Heritage Award
Urban Redevelopment Authority of Singapore

CHINA

Ascott Beijing

- Best Hotel Apartment of China
The Centre of Asia Hotel Forum's 4th China Starlight Award

Ascott Guangzhou

- Best Serviced Residence in Asia-Pacific (3rd)
Business Traveller Asia-Pacific Awards 2009

MALAYSIA

Ascott Kuala Lumpur

- Best Serviced Residence in Asia-Pacific (2nd)
Business Traveller Asia-Pacific Awards 2009
- Best Serviced Residence (Excellence Award)
Expatriate Lifestyle Magazine's The Best of Malaysia Awards 2009

THAILAND

Ascott Sathorn Bangkok

- Best Serviced Residence in Asia-Pacific (1st)
Business Traveller Asia-Pacific Awards 2009

INTEGRATED DEVELOPMENTS

SINGAPORE

Raffles City Singapore

- Silver Award (Development and Design: Renovation or Expansion of an Existing Project)
International Council of Shopping Centers 2009 Asia Shopping Centre Awards
- Water Efficient Building Award 2009
PUB

PERFORMANCE REVIEW

PERFORMANCE OVERVIEW

2009 was a difficult year as global economies were badly affected by the financial crisis. The tight credit environment, coupled with pressure on capital values, had a significant impact on the global real estate industry. Despite the challenging business environment, CapitaLand Group posted a profit after tax and minority interests (PATMI) of S\$1.05 billion for FY2009. This is the fourth consecutive year that the Group's profit has crossed the S\$1 billion mark.

Besides the S\$1 billion profit, the more significant achievement for the Group is that it emerged from this extremely difficult year even stronger than before. During the year, we increased our cash position from S\$4.2 billion to S\$8.7 billion, reduced our net debt-to-equity ratio from 0.47 to 0.09 and increased our equity base from S\$12.0 billion to S\$16.9 billion. In addition to improving our financial flexibility, we also improved the medium-term potential of our businesses during the year, most notably by creating and listing CapitaMalls Asia Limited and providing it with the financial flexibility and direct access to markets to accelerate its growth. We have deployed additional capital to our businesses in China and Vietnam and the serviced residence and integrated shopping mall businesses to be ready for our next phase of growth. Our recent acquisition of S\$3.1 billion worth of prime assets in China which was completed in February 2010 is part of our strategy to grow China to 45% of the Group's assets. We will also continue to develop our business in Vietnam, the Group's new growth market, by acquiring more land parcels, launching more projects and building our brand in the country.

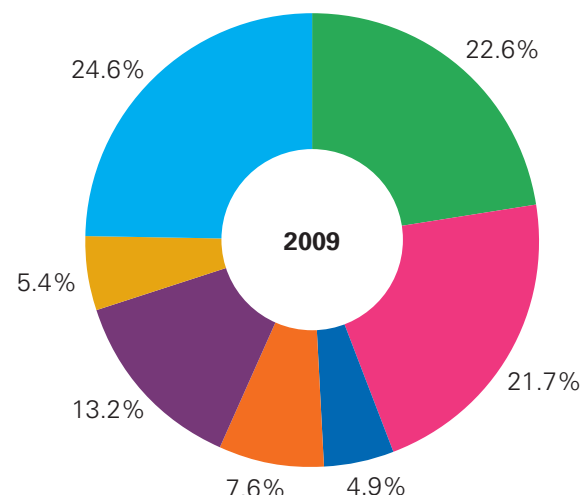
In terms of financial performance, FY2009's PATMI of S\$1.05 billion was comparatively lower than FY2008's PATMI of S\$1.26 billion, mainly because the Group took a net revaluation loss and higher impairment loss in 2009. Otherwise, in FY2009, the Group had recognised higher profits from development projects mainly from sales secured in earlier years and from higher portfolio gains, mainly from its sale of a 34.5% stake in CapitaMalls Asia Limited in connection with its initial public offering and listing in November 2009. Excluding the revaluation and impairment losses, FY2009's PATMI would have been higher at S\$1.63 billion, representing a 66% increase over FY2008's PATMI of S\$0.98 billion on the same basis.

REVENUE

Revenue for FY2009 rose 7% to S\$2.96 billion, fuelled by increased sales of development projects in Singapore, China and Vietnam. The increase was partially offset by

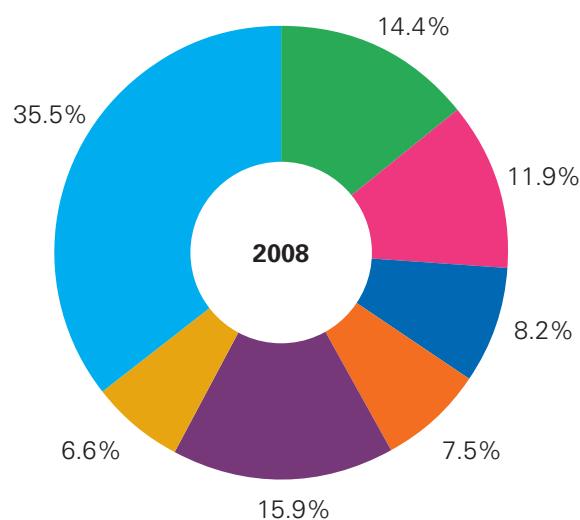
2009 REVENUE BY STRATEGIC BUSINESS UNIT

Total: S\$3.0 billion



2008 REVENUE BY STRATEGIC BUSINESS UNIT

Total: S\$2.8 billion

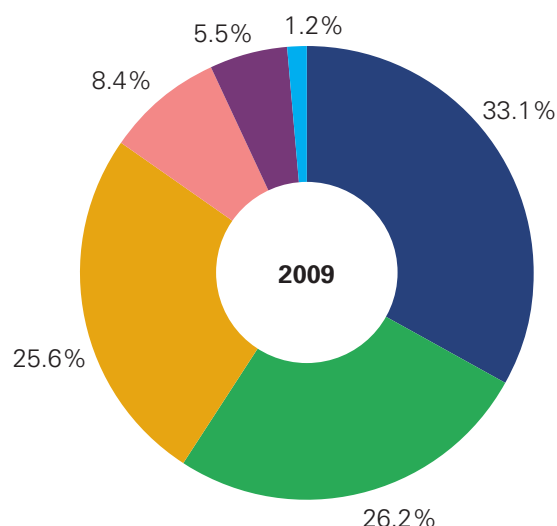


- CapitaLand Residential Singapore
- CapitaLand China Holdings
- CapitaLand Commercial
- CapitaMalls Asia
- The Ascott Limited
- CapitaLand Financial
- Australand

PERFORMANCE REVIEW

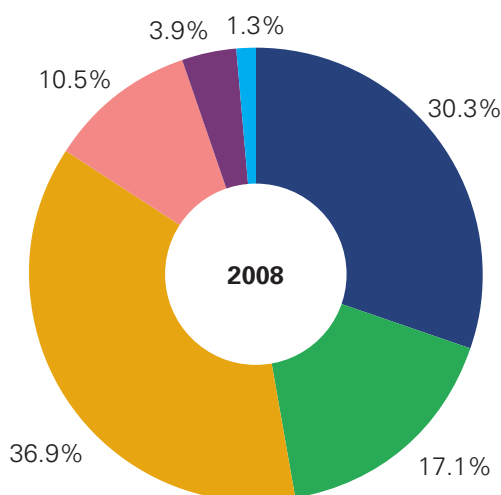
2009 REVENUE BY GEOGRAPHICAL LOCATION

Total: S\$3.0 billion



2008 REVENUE BY GEOGRAPHICAL LOCATION

Total: S\$2.8 billion



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

lower revenue from Australia and our serviced residence operations. The reduced revenue from Australia was attributable to weaker sales and lower exchange rate while the decrease in revenue from our serviced residence operations was mainly due to a weak performance in Europe.

Geographically, 67% of the Group's revenue in 2009 came from overseas operations comparable to 70% in 2008. China and Australia continued to be the main contributors. Contribution from Vietnam is increasing as our projects progressively enter the market. The Group will continue with its strategy to grow its presence in the core markets of Singapore, Australia and China, as well as Vietnam, its new growth market.

Revenue from CapitaLand Residential Singapore (CRS), one of the Group's Strategic Business Units (SBU), accounted for S\$673.8 million of the Group's total revenue, an increase of 68% over 2008. The increase was underpinned by strong sales at The Seafront on Meyer and Latitude.

Revenue from the CapitaLand China Holdings (CCH) SBU increased significantly by 96% to S\$647.0 million as our residential projects across all regions in China saw healthy sales during the year.

The CapitaLand Commercial (CCL) SBU registered a 36% decline in revenue mainly due to the absence of revenue recognition for the sale of Wilkie Edge which was completed in late 2008. The decrease was partially mitigated by progressive revenue recognition for The Vista in Vietnam.

Revenue from the CapitaMalls Asia (CMA) SBU increased 11%, mainly due to the contribution from Sungei Wang Plaza in Malaysia, which was acquired in 3Q 2008, and the improved operating performance by the shopping malls in China.

Revenue from The Ascott Limited (Ascott) SBU fell 11% due to a weaker performance from Europe as a result of the economic downturn and the negative exchange impact from the weakening of Euro and Sterling Pound against the Singapore Dollar.

Similarly, revenue for the CapitaLand Financial (CFL) SBU fell 11% compared to 2008 mainly due to lower acquisition fees. However, fund management fees from assets under management for FY2009 were higher.

FY2009 revenue from Australand, CapitaLand's listed subsidiary in Australia, fell 26% as a result of lower

sales from development projects as well as a weaker Australian Dollar against the Singapore Dollar.

EARNINGS ANALYSIS

The Group's earnings before interest and tax (EBIT) for FY2009 were S\$1.55 billion. This was 30% lower than FY2008 primarily due to net revaluation losses for the investment properties portfolio compared to net revaluation gains in 2008 and higher impairment losses on residential assets and other investments. The decrease was partially mitigated by higher portfolio gains and profits from the development projects.

Geographically, Singapore accounted for 85% of the Group's total EBIT in FY2009 while overseas EBIT accounted for 15%. In FY2008, overseas EBIT was 60% of total EBIT. The significant gain from the sale of the 34.5% stake in CMA boosted Singapore EBIT while overseas EBIT was mainly affected by lower divestment gains in China and losses in Australia.

EBIT from CRS rose 112% to S\$371.7 million on account of higher revenue and margins achieved for projects which had obtained Temporary Occupation Permit. In 2009, Temporary Occupation Permit was obtained for RiverGate, Scotts HighPark, The Metropolitan Condominium and Botannia, a project led by CRS' joint venture partner.

EBIT from CCH was S\$551.2 million or 38% lower than 2008. This was due to lower portfolio gains as the EBIT in FY2008 was boosted by significant gains from the sale of Capital Tower Beijing and the Raffles City portfolio in China, namely Raffles City Shanghai, Raffles City Beijing and Raffles City Chengdu. Excluding the portfolio gains, FY2009 EBIT for CCH would be higher than 2008 due to improved sales.

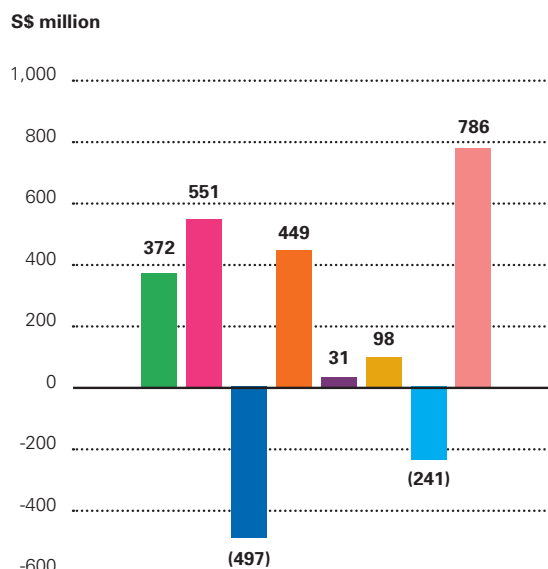
CCL recorded a loss of S\$497.4 million at the EBIT level for FY2009 due to impairments made for its overseas investments in Japan, Malaysia and India, and a net fair value loss on revaluation of its investment properties.

EBIT from CMA was S\$449.1 million, a 50% increase over 2008. The increase came mainly from the recognition of profits of The Orchard Residences and higher gain from the divestment of the remaining units of Link REIT, partially offset by lower fair value gains from the revaluation of investment properties.

EBIT from Ascott of S\$31.4 million was 76% lower than 2008, mainly due to lower revenue and portfolio gains.

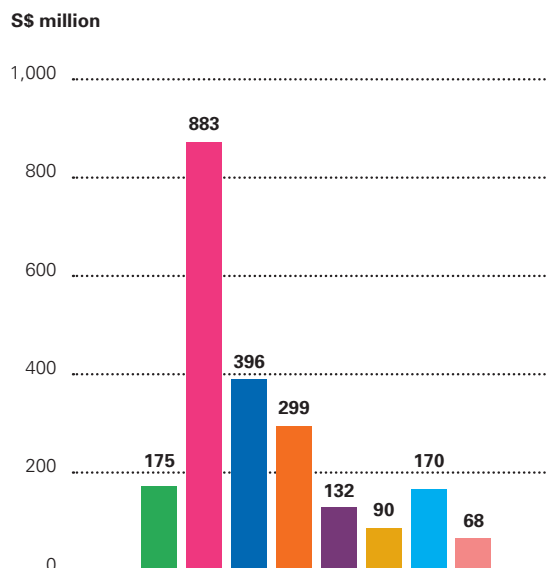
2009 EBIT BY STRATEGIC BUSINESS UNIT

Total: S\$1.5 billion



2008 EBIT BY STRATEGIC BUSINESS UNIT

Total: S\$2.2 billion

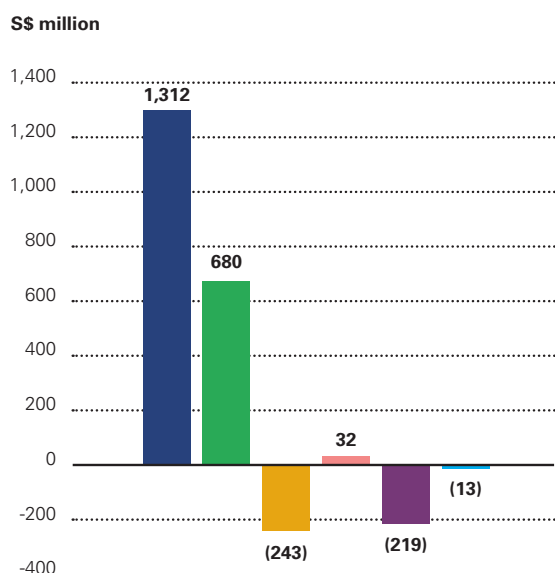


- CapitaLand Residential Singapore
- CapitaLand China Holdings
- CapitaLand Commercial
- CapitaMalls Asia
- The Ascott Limited
- CapitaLand Financial
- Australand
- Others

PERFORMANCE REVIEW

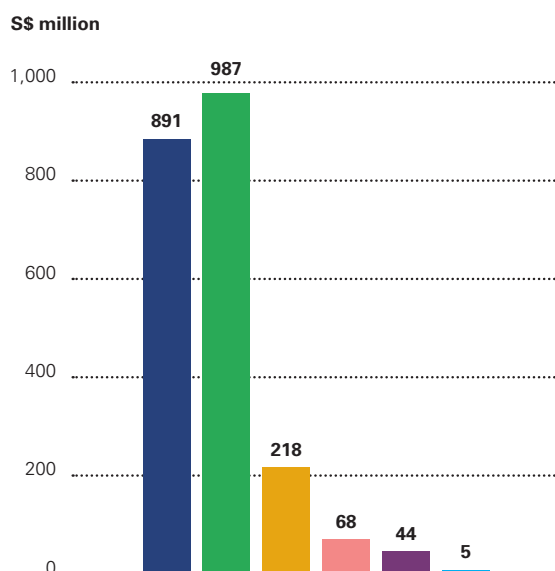
2009 EBIT BY GEOGRAPHICAL LOCATION

Total: S\$1.5 billion



2008 EBIT BY GEOGRAPHICAL LOCATION

Total: S\$2.2 billion



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

CFL's EBIT for FY2009 increased marginally by 8% to S\$98.0 million due to a reduction in operating expenses and lower impairment loss on investments compared to FY2008.

Australand's EBIT for FY2009 was a loss of S\$240.8 million compared to a profit in FY2008. The loss was attributable to higher fair value losses from the revaluation of investment properties and higher provision for foreseeable losses for its development projects.

Others comprised the Corporate office and newly start-up businesses. This segment contributed a marked increase in EBIT as it included the gain from the listing of CMA shares. The increase was partially offset by impairment losses made for the goodwill arising from the acquisition of the minority interests of Ascott and an investment in the Gulf Cooperation Council.

DIVIDENDS

The Board of Directors is pleased to propose a first and final dividend of 5.5 cents per share and a special dividend of 5.0 cents per share in respect of the financial year ended 31 December 2009. This amounts to a payout of approximately S\$446.0 million based on the number of issued shares as at 31 December 2009. The dividends are subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

For FY2008, a first and final dividend of 5.5 cents per share and a special dividend of 1.5 cents per share were approved and paid. The said dividends of S\$297.2 million were paid in May 2009.

ASSETS

The Group's total assets as at 31 December 2009 stood at S\$30.2 billion, an increase of S\$5.1 billion, or 20%, from 2008's total assets of S\$25.1 billion. The increase was mainly attributed to the net proceeds from the sale of a 34.5% stake in CMA, new investments made during the year, the strengthening of the Australian dollar against the Singapore dollar and the balance of unutilised proceeds from the S\$1.2 billion convertible bonds issued in September 2009. The increase in total assets was partially offset by fair value losses of investment properties and impairment losses on residential assets and other investments which reduced the assets value.

BORROWINGS

As at 31 December 2009, the Group had gross debts totalling S\$10.3 billion. At the same time, the Group has a strong cash position of S\$8.7 billion. After netting off

cash and cash equivalents, the Group's net debt as at 31 December 2009 was S\$1.6 billion, much lower than the net debt of S\$5.6 billion as at 31 December 2008.

The low debt position was a result of the Group's prudent capital management strategies. In 2009, while banks were tightening their credit availability, the Group further strengthened its financial capacity with a rights issue which raised S\$1.8 billion in proceeds and a S\$1.2 billion convertible bond issue. The proceeds from the sale of CMA shares further augmented the Group's cash position.

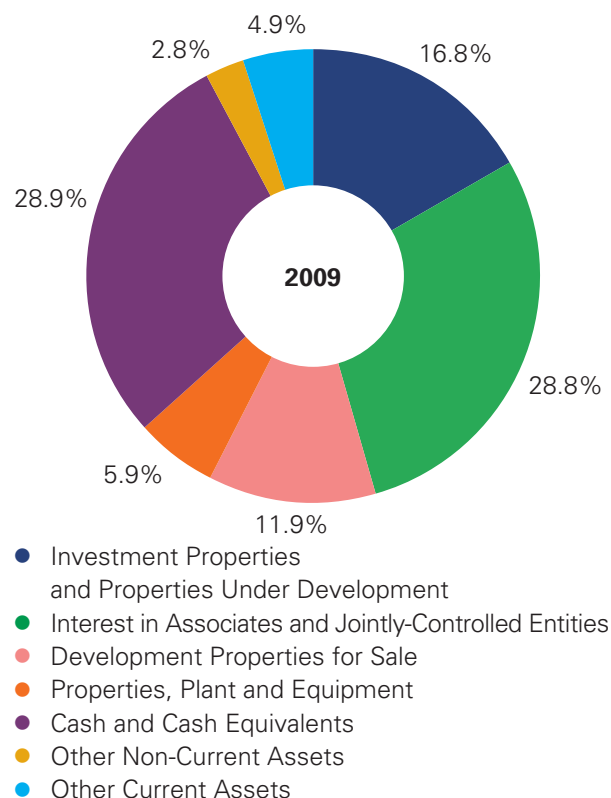
As a result, the Group net debt-to-equity ratio improved significantly to 0.09 as at 31 December 2009 from 0.47 as at 31 December 2008.

SHAREHOLDERS' EQUITY

As at 31 December 2009, CapitaLand Group's equity attributable to shareholders increased by 25% from S\$10.7 billion to S\$13.4 billion. The increase arose from the one-for-two rights issue which raised S\$1.8 billion, and the retained profits made by the Group during the year. The Group's net tangible assets per share stood at S\$3.03 as at 31 December 2009.

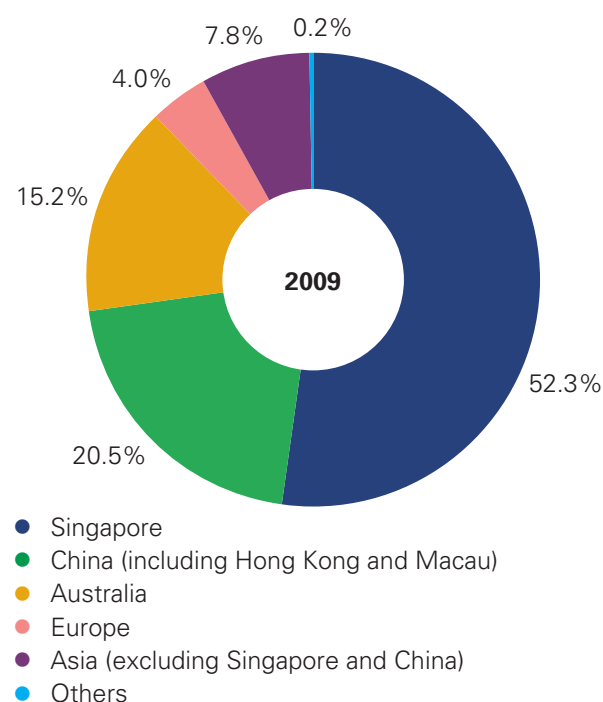
2009 TOTAL ASSETS BY CATEGORY

Total: S\$30.2 billion



2009 TOTAL ASSETS BY GEOGRAPHICAL LOCATION

Total: S\$30.2 billion



PERFORMANCE REVIEW

TREASURY HIGHLIGHTS

	2009	2008
Bank Facilities and Available Funds		
Bank facilities available (S\$m)	7,530	6,338
Amount utilised for loans (S\$m)	4,982	4,685
Available and unutilised (S\$m)	2,548	1,653
Cash and fixed deposit balances (S\$m)	8,730	4,228
Unutilised facilities and funds available for use (S\$m)	11,278	5,881
Debt Securities Capacity		
Debt securities capacity (S\$m)	8,338	8,150
Debt securities issue (net of debt securities purchased) (S\$m)	5,331	5,144
Unused debt securities capacity (S\$m)	3,007	3,006
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation (S\$m)	1,714	2,257
Net interest expense (S\$m)	377	410
Interest cover ratio (times)	4.54	5.50
Interest Service Ratio		
Operating cashflow before interest and tax (S\$m)	2,074	1,806
Net interest paid (S\$m)	451	468
Interest service ratio (times)	4.60	3.86
Secured Debt Ratio		
Secured debt (S\$m)	2,761	2,413
Percentage of secured debt	27%	25%
Debt Equity Ratio		
Gross debt (S\$m)	10,313	9,829
Cash and fixed deposit balances (S\$m)	8,730	4,228
Net debt (S\$m)	1,583	5,601
Equity (S\$m)	16,880	11,988
Net debt equity ratio (times)	0.09	0.47

MANAGEMENT AND SOURCES OF FUNDING

The Group strives to maintain a prudent financial structure and actively reviews its cashflow, debt maturity profile and overall liquidity position on an ongoing basis. The main sources of the Group's operating cashflow are derived from residential sales, fee and rental income. As part of its liquidity management to support its funding requirements, investment needs and its growth plans, sufficient undrawn banking facilities and capital market programmes are set up so as to facilitate fund raising at opportunistic windows.

Global financial outlook has improved but risks remain. Against this backdrop, the Group has built up strong cash reserves and further strengthened its financial

capacity during the year. The cash balances of the Group grew substantially by 106% from S\$4.2 billion as at end-2008 to S\$8.7 billion as at end-2009. The higher cash balance is mainly attributed to the unutilised proceeds from the issuance of the S\$1.2 billion seven-year convertible bond in September 2009 and the S\$2.8 billion proceeds from the listing of CapitaMalls Asia Limited ("CMA") in November 2009.

The Group's total gross debt of S\$10.3 billion as at end-2009 was 5% higher as compared to S\$9.8 billion as at end-2008. Notwithstanding this, the overall net debt decreased substantially by about 72% from S\$5.6 billion as at end-2008 to S\$1.6 billion as at end-2009 due to the higher cash balance. The Group's equity increased by 41% to S\$16.9 billion as at

end-2009 mainly due to CapitaLand Limited's rights issue of approximately 1.4 billion shares at S\$1.30 per share in February 2009 and the increase in minority interests following the Group's sale of 34.5% stake in CMA. Consequently, the net gearing as at end-2009 improved significantly to 0.09 as compared to 0.47 as at end-2008.

This puts the Group in a strong financial position as it embarks on its next phase of growth. The Group is well-positioned to support its refinancing needs and finance its expansion plans.

Finance cost for the Group was S\$453.9 million for the year ended 2009. This was about 12% lower as compared to S\$516.3 million for the year ended 2008 as a result of lower average gross debt and lower interest rates in 2009 due to various government stimulus measures worldwide to ease tight credit conditions and stimulate lending.

SOURCES OF FUNDING

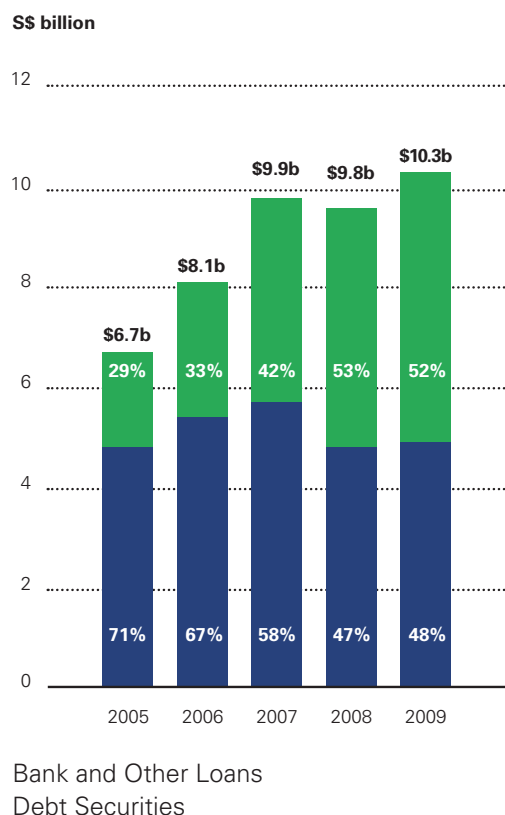
As at end-2009, 52% of the Group's total debt was raised through a diversified mix of the capital market bond issuance and the balance 48% was raised through bank borrowings. The Group continues to strive for a balanced funding structure of debt securities and bank borrowings which provides the Group with a high level of financial flexibility. During the year, bank loans increased by about S\$297 million mainly as a result of higher bank borrowings within the Group.

COMMITMENT OF FUNDING

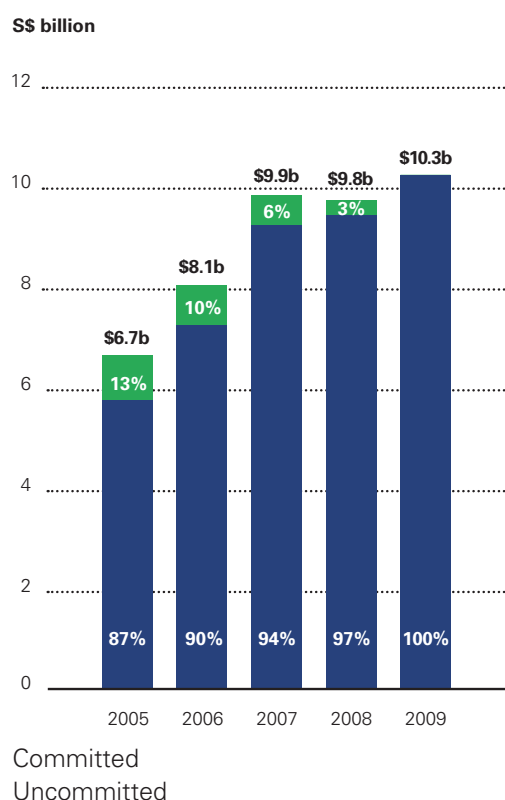
As at end-2009, the Group was able to achieve 100% of its funding from committed facilities.

The Group also monitors its asset versus liability match and ensures that an appropriate portion of committed funding is put in place to match the planned investments holding periods. Taking into account the Group's investment strategy and the uncertainty in the global economic recovery outlook, committed financing was secured whenever possible to support its ongoing investments and to ensure that the Group had sufficient financial capacity to support its operations, pursue acquisitions and investment opportunities.

SOURCES OF FUNDING



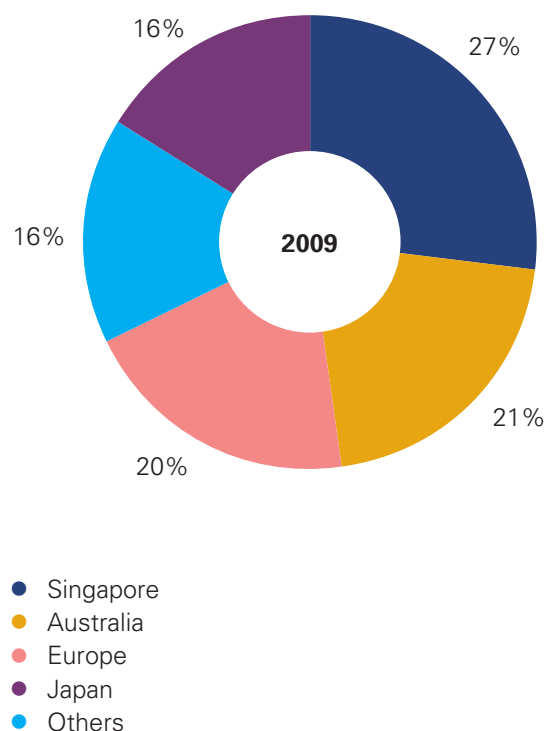
COMMITMENT OF FUNDING



PERFORMANCE REVIEW

AVAILABLE LINES BY NATIONALITY OF BANKS

As at 31 December 2009



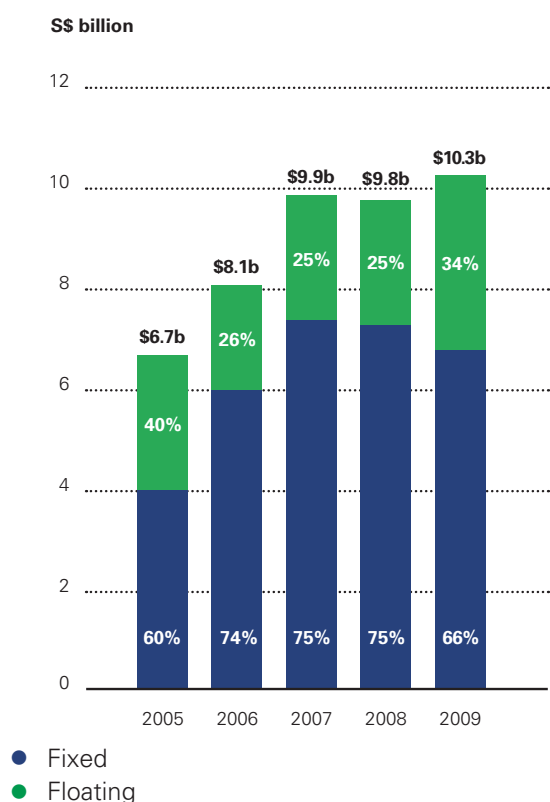
MATURITY PROFILE

	S\$ billion	% of Debt
Due within 1 year*	1.40	14
Between 1 & 2 years	2.67	26
Between 2 & 3 years	1.76	17
Between 3 & 4 years	0.05	–
Between 4 & 5 years	0.69	7
After 5 years	3.74	36

* Includes long term debt with remaining loan life of less than a year to maturity.

The Group has proactively built up sufficient cash reserves and credit lines to enable it to meet its short term debt obligations, support its refinancing needs and pursue opportunistic investments. The financial resources have also provided the Group flexibility in planning its refinancing which is critical in the current economic climate, where general lending activity in the market is picking up cautiously. Additionally, the Group reviews its loan profile closely so as to diversify the refinancing risks and spread out the loan maturity. In reviewing the maturity profile of its loan portfolio, the Group also took into account any divestment or investment plans and the prevailing credit market conditions.

PROFILE OF FIXED AND FLOATING LOANS



AVAILABLE LINES BY NATIONALITY OF BANKS AS AT 31 DECEMBER 2009

The Group continues to maintain and build an extensive and active relationship with a network of more than 30 banks of various nationalities. With this varied spectrum of network, the Group was able to tap on the strengths and support from the financial institutions in pursuing its strategic growth and presence, thus enhancing its competitiveness in core markets and enabling the Group to develop other markets where appropriate.

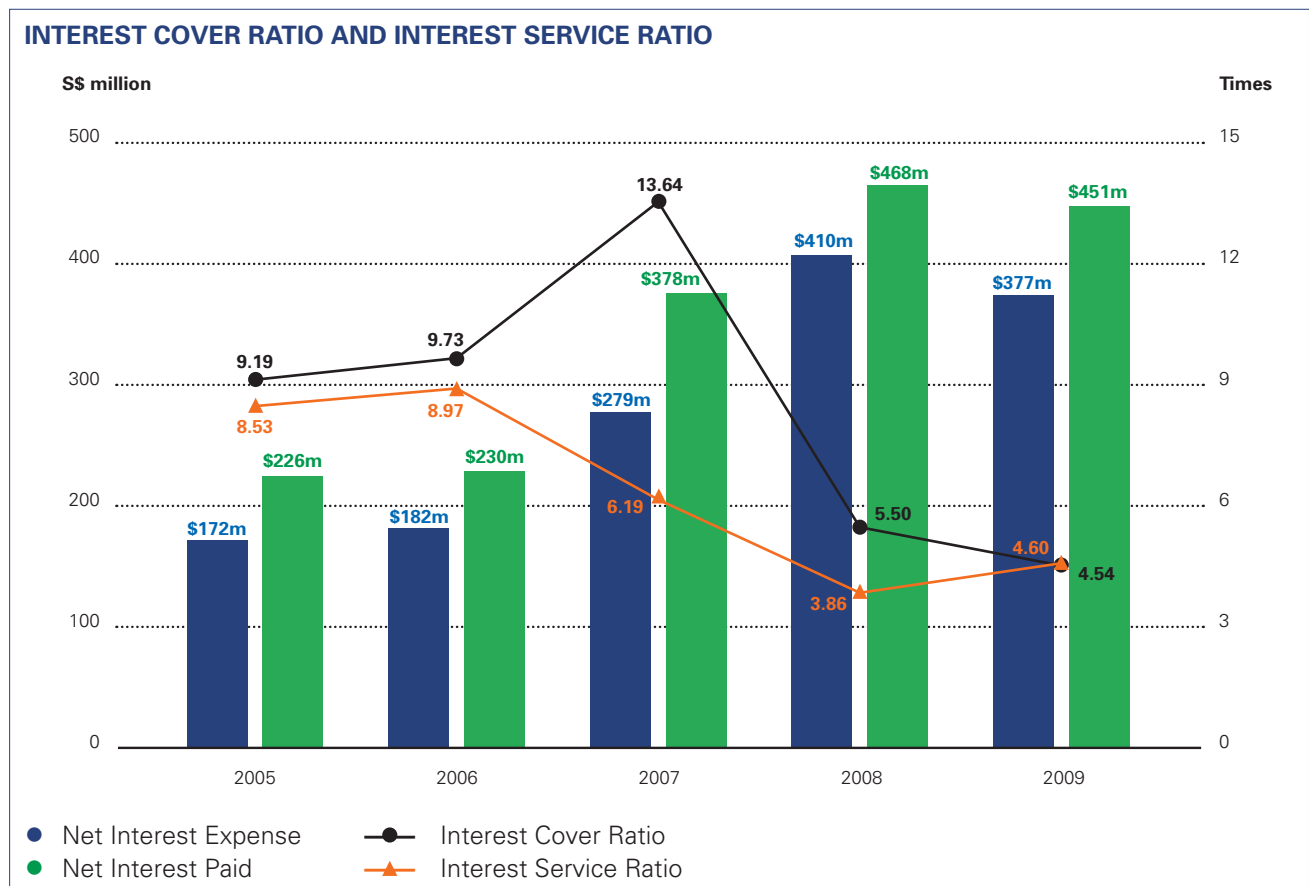
INTEREST RATE PROFILE

The Group manages its finance cost by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2009, the fixed rate borrowings constituted 66% of the portfolio and the balance 34% were on floating rate basis. As finance cost formed an integral component of the Group's operating costs, a higher percentage in fixed rate funding would offer protection against unexpected rise in interest rates. On balance, to capitalise on the low interest rate environment which is likely to sustain for the foreseeable future in this current global financial environment, a certain portion of the loan portfolio was maintained on floating rate basis. The Group was able to maintain a flexible profile and whenever there were divestment proceeds or sales proceeds from fast track residential

sales, it could promptly utilise the proceeds to repay its floating rate loans. In managing the interest rate profile, the Group takes into account the interest rate outlook on various currencies of loans, holding periods of its investment portfolio, timing of planned divestments and operating cashflow generated from progress payment collections from its residential receivables.

INTEREST COVER RATIO AND INTEREST SERVICE RATIO

The Interest Cover Ratio ("ICR") and Interest Service Ratio ("ISR") was 4.54 and 4.60 respectively. ICR of 4.54 was lower than 5.50 last year mainly due to higher revaluation losses from investment properties and impairment of assets. Net interest expense was lower due to the low interest rate environment generally in 2009 and a higher proportion of the Group's loans on floating interest rates. ISR of 4.60 was higher than 3.86 last year due to lower net interest paid and higher cashflow generated from operations.



ECONOMIC VALUE ADDED STATEMENTS

	Note	2009 S\$ million	2008 S\$ million
Net Operating Profit Before Tax		825.9	1,322.1
Adjust for:			
Share of results of associates and jointly-controlled entities		269.2	375.1
Interest expense		466.6	535.7
Others		268.7	15.1
Adjusted Profit Before Interest and Tax		1,830.4	2,248.0
Cash operating taxes	1	(134.7)	(199.8)
Net Operating Profit After Tax (NOPAT)		1,695.7	2,048.2
Average capital employed	2	22,747.3	21,314.5
Weighted average cost of capital (%)	3	6.887	6.150
Capital Charge (CC)		1,566.6	1,310.8
Economic Value Added (EVA) [NOPAT – CC]		129.1	737.4
Minority interests		206.8	(76.8)
Group EVA attributable to Equity Holders of the Company		335.9	660.6

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

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

Major Capital Components:	S\$ million
Borrowings	10,104.3
Equity	12,189.9
Others	453.1
Total	22,747.3

Note 3: The weighted average cost of capital is calculated as follows:

- Cost of Equity using Capital Asset Pricing Model with market risk premium at 5.0% (2008: 5.0%) per annum;
- Risk-free rate of 2.55% (2008: 2.93%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;
- Ungeared beta ranging from 0.51 to 1.06 (2008: 0.50 to 0.85) based on the risk categorisation of CapitaLand's strategic business units; and
- Cost of Debt rate at 4.30% (2008: 4.26%) per annum using 5-year Singapore Dollar Swap Offer rate plus 187.5 basis points (2008: 131 basis points).

VALUE ADDED STATEMENTS

	2009 S\$ million	2008 S\$ million
Value Added From:		
Revenue earned	2,957.4	2,752.3
Less: Bought in materials and services	(1,731.4)	(1,514.0)
Gross Value Added	1,226.0	1,238.3
Share of results of associates and jointly-controlled entities	269.2	375.1
Exchange gains (net)	23.0	51.8
Other operating income (net)	566.7	1,075.0
	858.9	1,501.9
Total Value Added	2,084.9	2,740.2
Distribution:		
To employees in wages, salaries and benefits	421.2	478.1
To government in taxes and levies	146.3	284.2
To providers of capital in:		
– Net interest on borrowings	430.3	462.0
– Dividends to shareholders	297.2	423.4
	1,295.0	1,647.7
Balance Retained in the Business:		
Depreciation and amortisation	63.0	57.2
Retained profits net of dividends to equity holders of the Company	755.8	836.7
Minority interests	(44.3)	201.3
	774.5	1,095.2
Non-Production Costs and Income:		
Allowance for / (Write back of) doubtful receivables	15.4	(2.7)
Total Distribution	2,084.9	2,740.2
Productivity Analysis:		
Value added per employee (S\$'000) #	192	199
Value added per dollar of employment cost (S\$)	2.91	2.59
Value added per dollar sales (S\$)	0.41	0.45

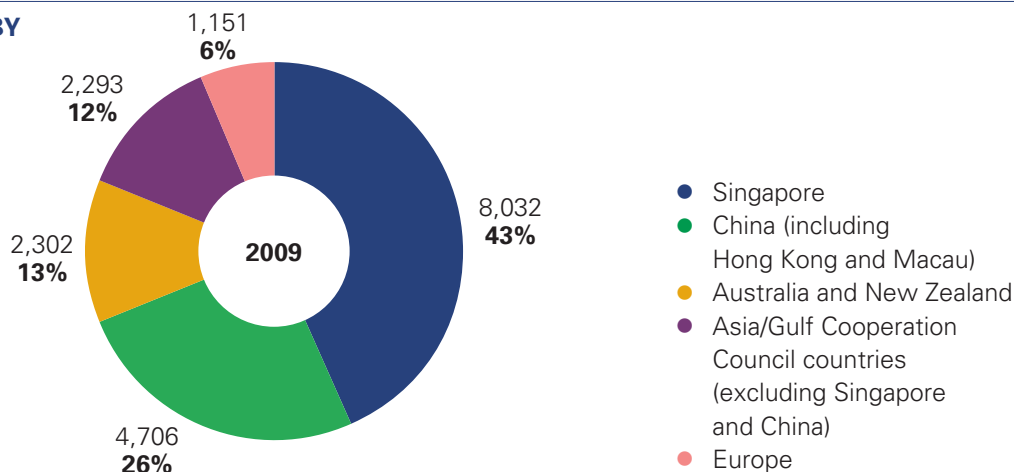
Based on average 2009 headcount of 6,399 (2008: 6,223).

PORTFOLIO ANALYSIS

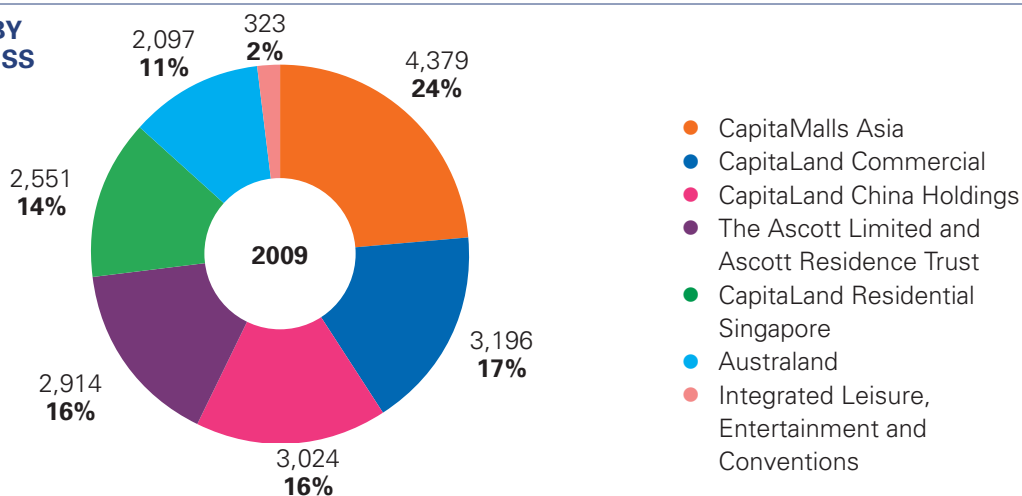
As at 31 December 2009, the Group's property portfolio had a total attributable value of S\$18.5 billion and comprised development properties, investment properties and serviced residences owned by subsidiaries, associates and jointly controlled entities.

In the following analysis, the values attributable to the CapitaLand Group are used. Investment properties are stated at their market values while development properties are stated at book costs (net of any provisions made). Properties treated as fixed assets are stated at book cost.

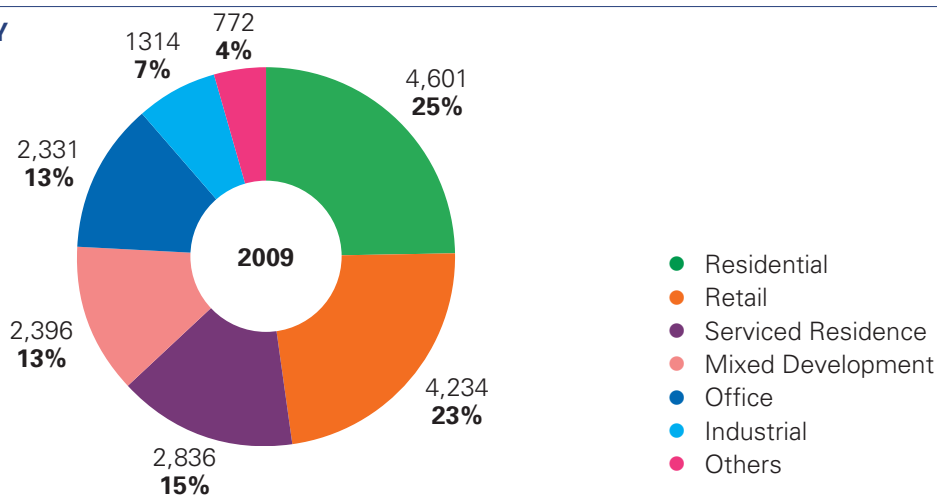
PROPERTY VALUE BY REGION (S\$m)



PROPERTY VALUE BY STRATEGIC BUSINESS UNIT (S\$m)



PROPERTY VALUE BY SECTOR (S\$m)



PORTFOLIO DETAILS

As at 31 December 2009

RESIDENTIAL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
SINGAPORE							
Botannia	West Coast Park	2009	C	Leonie Court Pte Ltd	50%	493	956
Latitude	Jalan Mutiara, near Grange Road	2007	S	CRL Realty Pte Ltd	100%	127	Freehold
RiverGate	Martin Road	2009	C	Riverwalk Promenade Pte Ltd	50%	545	Freehold
Scotts HighPark	Scotts Road	2009	C	Leonie Court Pte Ltd	100%	73	Freehold
The Interlace	Alexandra Road/ Depot Road	2007	A	Ankerite Pte Ltd	60%	1,040	99
The Metropolitan Condominium	Alexandra Road, near Tanglin Road	2009	C	Tanglin Residential Pte Ltd	50%	382	99
The Orchard Residences	Orchard Road	2006	S	Orchard Turn Residential Development Pte Ltd	50%	175	99
The Seafront on Meyer	Meyer Road	2007	S	CRL Realty Pte Ltd	100%	327	Freehold
The Wharf Residence	Tong Watt Road, off River Valley Road	2009	S	Leonie Court Pte Ltd	100%	186	999
Urban Resort Condominium	Cairnhill Road, near Orchard Road	2006	A	CRL Realty Pte Ltd	100%	64	Freehold
Urban Suites	Cairnhill Road, near Orchard Road	2007	A	Augite Pte Ltd	50%	165	Freehold
Visioncrest	Penang Road	2007	C	Winpeak Investment Pte Ltd	25%	265	Freehold

Name	Location	Year	*	Holding Company	Effective Stake (%)	Gross Floor Area (sqm)	Tenure (Years)
Future Projects							
Site at Farrer Road	Farrer Road	2007	A	Morganite Pte Ltd	35%	218,380	99
Site at Nassim Hill	Near Orchard Road	1999	A	CRL Realty Pte Ltd	100%	15,942	Freehold
Site at Yio Chu Kang Road	Yio Chu Kang Road	2000	A	CRL Realty Pte Ltd	100%	19,330	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

RESIDENTIAL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
CHINA								
Beau Residences	Chancheng District, Foshan	2009	S	Foshan Xin De Real Estate, Development Co., Ltd	100%	46,454	648	70
Beaufort	Chaoyang District, Beijing	2007	A	Beijing Heng Shi Tong Fang Real Estate Development Co., Ltd	50%	104,216	1,027	70
I-World	Gongshu District, Hangzhou	2009	C	CapitaLand Xinyun (Hangzhou) Real Estate Development Co., Ltd	50%	53,642	580	70
Imperial Bay	Gongshu District, Hangzhou	2006	A	CapitaLand Xinyun (Hangzhou) Real Estate Development Co., Ltd	50%	87,517	479	70
La Capitale	Dongcheng District, Beijing	2009	C	Beijing Xin Xu Real Estate Development Co., Ltd	100%	50,981	313	50
La Cité Foshan	Chancheng District, Foshan	2008	S	Foshan Xin Kai Real Estate Development Co., Ltd	100%	79,997	750	70
La Forêt	Chaoyang District, Beijing	2008	C	Beijing Xin Kai Real Estate Development Co., Ltd	100%	259,131	1,808	70
Luff Egret	Wenjiang District, Chengdu	2006	S	Sichuan Zhixin CapitaLand Co., Ltd	50%	153,658	661	70
Oasis Riviera	Changning District, Shanghai	2008	C	Shanghai Ning Xin Real Estate Development Co., Ltd	100%	275,200	1,964	70
Orchid Garden	Chaoyang District, Beijing	2007	C	Beijing Orchid Garden Real Estate Development Co., Ltd	100%	65,372	247	70
Riverside Ville	Chancheng District, Foshan	2007	S	Foshan Xin Fo Chen Real Estate Development Co., Ltd	100%	109,672	758	70

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

RESIDENTIAL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
CHINA (cont'd)								
Site at Wenjiang – 645	Wenjiang District, Chengdu	2006	A	Sichuan Zhixin CapitaLand Co., Ltd	50%	490,000 (estimated)	3,242 (estimated)	70
Summit Residences Ningbo	Jiangbei District, Ningbo	2007	S	Ningbo Xin Yao/ Xin Feng Property Development Co., Ltd	50%	144,512	818	70
The Loft Chengdu	Qingyang District, Chengdu	2008	S	Chengdu Xin Kai Co., Ltd	56.3%	464,125	4,410	70
The Pines	Chaoyang District, Beijing	2009	C	Beijing CapitaLand Pin Yuan Real Estate Development Co., Ltd	100%	31,450	157	70
The Riviera	Chancheng District, Foshan	2007	S	Foshan Xin Fo Chen Real Estate Development Co., Ltd	100%	54,178	208	70
Westwood Green	Minhang District, Shanghai	2008	C	Shanghai Aoshun Property Co., Ltd	100%	106,595	430	70
Future Projects								
Guangnan Project	Qingpu District, Shanghai	2007	A	Shanghai Guang Nan Real Estate Development Co., Ltd	95%	65,348 (estimated)	215 (estimated)	70
Guangzhou Liyun	Baiyun District, Guangzhou	2005	A	Guangzhou Beautiwin Real Estate Development Co., Ltd	50%	369,800	2,926	70
Royal Residences Beijing	Dongcheng District, Beijing	2007	A	Beijing CapitaLand Xin Ming Real Estate Development Co., Ltd	100%	12,892	29	70
Vermont Hills	Changping District, Beijing	2007	A	Beijing Rising Harmony Real Estate Development Co., Ltd	81%	324,000	1,089	70

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

RESIDENTIAL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
INDIA								
The Orchard Residency	Ghatkopar, Mumbai	2007	S	Runwal CapitaLand India Private Limited	49%	62,930 (saleable area)	590	Freehold
THAILAND								
Athenee Residence	Wireless Road, Bangkok	2007	C	TCCCL Wireless Co., Ltd.	40%	84,315	222	Freehold
North Park Place	North Park, Bangkok	2007	S	TCCCL North Park Co., Ltd.	40%	33,337	130	Freehold
S&S Sukhumvit	Sukhumvit 101/ 1, Bangkok	2008	S	TCCCL S&S Sukhumvit Co., Ltd.	40%	55,540	819	Freehold
Site at Jomtien	Jomtien, Pattaya	2006	A	TCCCL Jomtien Co., Ltd.	40%	40,922	166 (estimated)	Freehold
Site at Tup Kaek	Tup Kaek, Krabi	2006	A	TCCCL Andaman Resort Co., Ltd	40%	10,076	47 (estimated)	Freehold
The Empire Place	Sathorn, Bangkok	2008	C	TCCCL Narathiwad Co., Ltd.	40%	87,808	493	Freehold
The Emporio Place	Sukhumvit 24, Bangkok	2009	C	TCCCL Sukhumvit 24 Co., Ltd.	40%	70,410	368	Freehold
The Royal Residence	Kaset Nawamin, Bangkok	2005	S	TCCCL Sena Co., Ltd.	40%	45,037	79	Freehold
Villa Asoke	Petchburi, Bangkok	2008	A	TCCCL Asoke Co., Ltd.	40%	54,860	525	Freehold
Villa Rachakhru	Phaholyothin 5, Bangkok	2006	C	TCCCL Phaholyothin Co., Ltd.	40%	6,959	70	Freehold
Villa Rachatewi	Phaya Thai, Bangkok	2006	S	TCCCL Rachatewi Co., Ltd.	40%	76,240	749	Freehold
Villa Sathorn	Sathorn-Taksin, Bangkok	2007	S	TCCCL Krungthon Co., Ltd	40%	54,131	637	Freehold
VIETNAM								
Mulberry Lane	Ha Dong District, Hanoi	2009	S	CapitaLand-Hoang Thanh Company Limited	70%	221,806	1,478	Freehold
Site at Thanh My Loi	District 2, Ho Chi Minh City	2008	A	CapitaLand-Thien Duc Company Limited	60%	234,361	950 (estimated)	Freehold
The Vista	District 2, Ho Chi Minh City	2007	S	CapitaLand-Vista Joint Venture Co., Ltd	80%	189,966	850 (residential and serviced residences)	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

COMMERCIAL/INTEGRATED DEVELOPMENTS

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
SINGAPORE								
Industrial								
Corporation Place	Corporation Road	1993	C	Corporation Place Ltd	75%	57,667	60	#
Technopark@Chai Chee	Chai Chee Road	1982	A	Wan Tien Realty (Pte) Ltd	100%	105,586	60	185,000
Office								
PWC Building	Cross Street	2000	C	DBS China Square Limited	30%	33,080	99	#
163 strata-titled units in The Adelphi	Coleman Street	1988	A	Adelphi Property Pte Ltd	100%	16,543 (office and retail)	999	200,000
HELD THROUGH CAPITACOMMERCIAL TRUST								
Carpark								
Golden Shoe Car Park	Market Street	1989	A	CapitaCommercial Trust	31.6%	4,117	99	#
Market Street Car Park	Market Street	1989	A	CapitaCommercial Trust	31.6%	2,423	99	#
Integrated Development								
Raffles City Singapore	North Bridge Road/ Stamford Road/ Bras Basah Road	2006	A	RCS Trust	26.8%	72,790 (retail, office and 2,030 hotel rooms)	99	#
Office								
Bugis Village	Queen Street/ Rochor Road/ Victoria Street	1989	A	CapitaCommercial Trust	31.6%	11,356	99	#
Capital Tower	Robinson Road	2000	C	CapitaCommercial Trust	31.6%	68,836	99	#
HSBC Building	Collyer Quay	2005	A	CapitaCommercial Trust	31.6%	18,624	999	#
One George Street	George Street	2004	C	CapitaCommercial Trust	31.6%	41,621	99	#
Robinson Point	Robinson Road	1997	C	CapitaCommercial Trust	31.6%	12,369	Freehold	#
Six Battery Road	Battery Road	1989	A	CapitaCommercial Trust	31.6%	46,159	999	#
Starhub Centre	Cuppage Road	1998	C	CapitaCommercial Trust	31.6%	26,019	99	#
Wilkie Edge	Wilkie Road	2008	C	CapitaCommercial Trust	31.6%	13,576 (excludes serviced residences)	99	#

* Total book value for non wholly-owned Singapore commercial properties and integrated developments: S\$7.3 billion

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

COMMERCIAL/INTEGRATED DEVELOPMENTS

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
BAHRAIN								
Integrated Development								
Raffles City Bahrain	Bahrain Bay, Manama	2007	S	Bahrain Bay Integrated Development Limited	37.7%	288,841 (GFA)	Freehold	##
CHINA								
Industrial								
Corporation Park	Sha Tin, Hong Kong	1996	C	Sea Dragon Ltd	30%	40,099 (GFA)	54	##
Integrated Development								
Danang Project	Zhabei District, Shanghai	2009	S	Shanghai Capitaland Xin Chuang Real Estate Development Co., Ltd	100%	71,086 (GFA)	50 (office) 40 (retail and serviced residences)	##
Macao Studio City	Cotai, Macau	2007	S	East Asia Televisao Por Satalite Limitada	20%	340,000 (proposed GFA for Phase 1)	25	##
Raffles City Beijing	Dongcheng District, Beijing	2009	C	Beijing Xin Jie Real Estate Development Co., Ltd	44.8%	138,490 (GFA)	50 (office and serviced residences) 40 (retail)	##
Raffles City Chengdu	Wuhou District, Chengdu	2008	S	Raffles City Chengdu Co., Ltd	44.8%	193,675 (GFA)	40	##
Raffles City Hangzhou	Qianjiang New Town, Hangzhou	2007	A	Raffles City (Hangzhou) Real Estate Development Co., Ltd	44.8%	283,568 (GFA)	40	##
Raffles City Ningbo	Jiangbei District, Ningbo	2009	S	Ningbo Xin Yin Property Development Co., Ltd	50%	97,898 (GFA)	50	##
Raffles City Shanghai	Huangpu District, Shanghai	2003	C	Shanghai Hua Qing Real Estate Development Co., Ltd	25%	133,816 (GFA)	50	##

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

COMMERCIAL/INTEGRATED DEVELOPMENTS

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
CHINA (cont'd)								
Office								
IBM China Centre	Haidian District, Beijing	2005	C	Beijing Red Diamond Science & Technology Development Co., Ltd	50%	19,022	50	##
Innov Tower	Xuhui District, Shanghai	2008	C	Caike Property (Shanghai) Co., Ltd	50%	28,180	45	##
Site at Wenjiang -110	Wenjiang District, Chengdu	2006	A	Sichuan Zhixin CapitaLand Co., Ltd	50%	80,762	40	##
INDIA								
IT Park/ Office								
Site at Trans Thana Creek	Thana District, Navi Mumbai	2007	A	Loma IT Park Developers Private Limited	49%	273,162	100	##
JAPAN								
Mixed Development								
Site at Kita Shinjuku	Shinjuku Ward, Tokyo	2008	S	Mitsubishi Estate Co., Ltd	20%	57,354 (office and retail, excludes 296 residential units)	Freehold	##
KAZAKHSTAN								
Mixed Development								
Site at Almaty	Almaty	2008	A	CapitaLand Express LLP	70%	35,000 (residential and serviced residence GFA)	Freehold	##
UNITED ARAB EMIRATES								
Integrated Development								
Rihan Heights, (Arzanah, Phase 1)	Abu Dhabi	2008	S	Mubadala CapitaLand Real Estate LLC	49%	115,013 (saleable area)	Freehold	##
UNITED KINGDOM								
Integrated Development								
99-121 Kensington High Street	Central London	2006	A	818 Pte Ltd	33.3%	34,443	Freehold	##
Office								
1 Derry Street	Central London	2006	A	828 Pte Ltd	33.3%	2,991	Freehold	##
Residential								
25 Kensington Square	Central London	2006	A	838 Pte Ltd	33.3%	311	Freehold	##

Total book value for non wholly-owned overseas commercial properties and integrated developments: S\$3.4 billion

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

RETAIL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
SINGAPORE								
Clarke Quay	River Valley Road	1993	C	Clarke Quay Pte Ltd	65.5%	27,342	99	^
ION Orchard	Orchard Road	2009	C	Orchard Turn Retail Investment Pte. Ltd.	32.75%	59,623	99	^
Site at one-north (under development)	one-north	2007	A	One Trustee Pte Ltd	65.5%	24,000 (GFA) (commercial only)	60	^
HELD THROUGH CAPITAMALL TRUST								
Bugis Junction	Victoria Street	2005	A	CapitaMall Trust	19.5%	39,162	99	^
Bukit Panjang Plaza	Jelevu Road	2003	A	CapitaRetail BPP Trust	19.5%	13,793	99	^
Funan DigitalLife Mall	North Bridge Road	1984	C	CapitaMall Trust	19.5%	27,657	99	^
Hougang Plaza	Upper Serangoon Road	2005	A	CapitaMall Trust	19.5%	7,000	99	^
IMM Building	Jurong East	2003	A	CapitaMall Trust	19.5%	87,528	30+30	^
Junction 8	Bishan	1993	C	CapitaMall Trust	19.5%	22,921	99	^
Jurong Entertainment Centre (under asset enhancement)	Jurong East	2005	A	CapitaMall Trust	19.5%	26,113 (GFA)	99	^
Lot One Shoppers' Mall	Choa Chu Kang	2003	A	CapitaRetail Lot One Trust	19.5%	20,226	99	^
Plaza Singapura	Orchard Road	1974	C	CapitaMall Trust	19.5%	46,328	Freehold	^
Rivervale Mall	Rivervale Crescent	2003	A	CapitaRetail Rivervale Trust	19.5%	7,537	99	^
Sembawang Shopping Centre	Sembawang Road	2005	A	CapitaMall Trust	19.5%	11,921	999	^
Tampines Mall	Tampines Central	1995	C	CapitaMall Trust	19.5%	30,438	99	^
The Atrium @ Orchard	Orchard Road	2008	A	CapitaMall Trust	19.5%	34,715	99	^

^ Total book value for non wholly-owned Singapore retail properties: S\$8.8 billion

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

RETAIL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
CHINA								
Aidemengdun Mall (under development)	Daoli District, Harbin	2007	A	Beijing Hualian Haerbin Real Estate Development Co., Ltd.	29.5%	43,851 (GFA)	40	^^
Anyang Mall (under development)	Beiguan District, Anyang	2006	A	Anyang SZITIC Commercial Property Co., Ltd.	19.2%	36,303 (GFA)	40	^^
Chengnanyuan Mall	Qing Yun Pu District, Nanchang	2006	C	CapitaMalls Nanchang Commercial Property Co., Ltd.	29.5%	37,551	40	^^
Chikan Mall	Chikan District, Zhanjiang	2008	C	CapitaMalls Zhanjiang City Commercial Property Co., Ltd.	29.5%	33,401	40	^^
Danshui Mall ⁽¹⁾	Huiyang District, Huizhou	2007	C	Huizhou City SZITIC Commercial Property Co., Ltd.	19.2%	39,283 (GFA)	40	^^
Duanzhou Mall	Duanzhou District, Zhaoqing	2009	C	CapitaMalls Zhaoqing City Commercial Property Co., Ltd.	29.5%	32,511	50	^^
Fucheng Mall	Fucheng District, Mianyang	2007	C	CapitaMalls Mianyang Commercial Property Co., Ltd.	29.5%	34,003 (phase 1) 28,000 (phase 2 GFA)	40	^^
Gaoxin Mall	Gaoxin District, Weifang	2005	C	CapitaMalls Weifang Real Estate Co., Ltd.	29.5%	35,536	40	^^
Guicheng Mall	Nanhai District, Foshan	2006	C	CapitaMalls Foshan City Nanhai Commercial Property Co., Ltd.	47.8%	35,523	40	^^
Hengyang Mall ⁽¹⁾ (under development)	Gaoxin District, Hengyang	2007	A	Hengyang SZITIC Commercial Property Co., Ltd.	19.2%	49,822 (GFA)	40	^^

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

RETAIL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
CHINA (cont'd)								
Jiangbin Mall	Licheng District, Quanzhou	2006	C	Quanzhou SZITIC Commercial Property Co., Ltd.	19.2%	29,679	40	^^
Jingdong Mall ⁽¹⁾ (under development)	Beijing East Road, Nanchang	2008	A	Jiangxi SZITIC Commercial Property Co., Ltd.	19.2%	26,017 (GFA)	40	^^
Jingyang Mall	Hedong District, Deyang	2009	C	CapitaMalls Deyang Real Estate Co., Ltd.	29.5%	29,332	40	^^
Jinniu Mall	Jinniu District, Chengdu	2006	C	SZITIC (Chengdu) Commercial Property Co., Ltd.	19.2%	46,869 (phase 1) 88,673 (phase 2 GFA)	40	^^
Jiulongpo Mall	Jiulongpo District, Chongqing	2005	C	CapitaMalls Chongqing Investment Co., Ltd.	47.8%	39,072	40	^^
Laiwu Mall ⁽¹⁾ (under development)	Wenyuan Dong Dajie, Laiwu	2008	A	Laiwu SZITIC Commercial Property Co., Ltd.	19.2%	48,407 (GFA)	40	^^
Liuquan Mall	Zhangdian District, Zibo	2008	C	CapitaMalls Zibo Commercial Property Co., Ltd.	29.5%	30,125	40	^^
Ma'anshan Mall ⁽¹⁾ (under development)	Yushan Road/Kangle Road, Ma'anshan	2007	A	MaAnShan SZITIC Commercial Property Co., Ltd.	19.2%	39,486 (GFA)	40	^^
Maonan Mall	Maogang District, Maoming	2006	C	CapitaMalls Maoming City Commercial Property Co., Ltd.	47.8%	30,215	40	^^
Nanan Mall	Cuiping District, Yibin	2009	C	CapitaMalls Yibin Commercial Property Co., Ltd.	29.5%	27,450	40	^^
Nancheng Mall	Nancheng District, Dongguan	2009	C	Dongguan City SZITIC Commercial Property Co., Ltd.	19.2%	32,852	50	^^
Peace Plaza	Shahekou District, Dalian	2008	A	Dalian Kaijin Infrastructure Management Co., Ltd	19.7%	109,813	40	^^
Rizhao Mall (under development)	Haiqu East Road/Qingdao Road, Rizhao	2007	A	CapitaRetail Rizhao Haiqu Infrastructure Management Limited	19.7%	77,458 (GFA)	40	^^

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

RETAIL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
CHINA (cont'd)								
Shawan Mall	Jinniu District, Chengdu	2009	C	CapitaRetail Chengdu FuQin Real Estate Co., Ltd.	19.7%	20,016	40 (commercial) 70 (underground carpark)	^^
Tai'an Mall ⁽¹⁾ (under development)	Dongyue Dajie, Tai'an	2008	A	Tai'an SZITIC Commercial Property Co., Ltd.	19.2%	49,577 (GFA)	40	^^
Taohualun Mall	Heshan District, Yiyang	2009	C	CapitaMalls Yiyang Commercial Property Co., Ltd.	29.5%	23,313	40	^^
Tianfu Mall (under development)	Gaoxin District, Chengdu	2008	A	Chengdu Huayun Jiangnan Real Estate Development Co., Ltd	29.5%	134,411 (GFA)	40	^^
TianjinOne Mall	Hexi District, Tianjin	2007	A	CapitaRetail TianJin Zhonghuan Infrastructure Developments Limited	19.7%	40,050	50	^^
Weiyang Mall	Weiyang District, Yangzhou	2009	C	Yangzhou SZITIC Commercial Property Co., Ltd.	19.2%	34,935	40	^^
Xiangcheng Mall	Xiangcheng District, Zhangzhou	2006	C	CapitaMalls Zhangzhou Commercial Property Co., Ltd.	47.8%	29,905	40	^^
Xiangmihu Mall ⁽¹⁾	Futian District, Shenzhen	2006	A	CapitaRetail Qiaoxiang (Shenzhen) Co., Ltd	14.7%	140,879 (GFA)	40	^^
Xindicheng Mall (under development)	Yanta District, Xi'an	2008	A	Shanxi Hualian Real Estate Development Co., Ltd	29.5%	94,322 (GFA)	40	^^
Xinxiang Mall (under development)	Hongqi District, Xinxiang	2006	A	CapitaMalls Xinxiang Commercial Property Co., Ltd.	29.5%	38,093 (GFA)	40	^^
Xuefu Mall (under development)	Nangang District, Harbin	2008	A	CapitaRetail Harbin Shangdu Real Estate Co., Ltd.	29.5%	96,635 (GFA)	40	^^

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

RETAIL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
CHINA (cont'd)								
Yuhuating Mall	Yuhua District, Changsha	2005	C	CapitaMalls Hunan Commercial Property Co., Ltd.	47.8%	47,303	40	^^
Yushan Mall	Yushan Town, Kunshan	2009	C	Kushan SZITIC Commercial Property Co., Ltd.	19.2%	27,261	40	^^
Zhongshan Mall (under development)	Qiaokou District, Wuhan	2007	A	Wuhan Guangxinlian Real Estate Development Co., Ltd	29.5%	106,536 (GFA)	40	^^
Zhuzhou Mall ⁽¹⁾ (under development)	Hetang District, Zhuzhou	2007	A	Zhuzhou SZITIC Commercial Property Co., Ltd.	19.2%	57,576 (GFA)	40	^^
HELD THROUGH CAPITARETAIL CHINA TRUST								
Anzhen Mall	Chaoyang District, Beijing	1994	C	CapitaRetail Beijing Anzhen Real Estate Co., Ltd.	17.7%	43,442	29 – 37	^^
Jiulong Mall	Chaoyang District, Beijing	2003	C	CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	17.7%	49,526	40	^^
Qibao Mall	Minhang District, Shanghai	2003	C	CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	17.7%	50,996	39	^^
Saihan Mall	Saihan District, Huhhot	2002	C	Huaxin Saihan Huhhot Real Estate Co., Ltd	17.7%	28,351	35	^^
Wangjing Mall	Chaoyang District, Beijing	2006	C	CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	17.7%	55,788	38 – 48	^^
Xinwu Mall	Xinwu District, Wuhu	2005	C	Wuhu SZITIC Commercial Property Co., Ltd.	9.0%	37,819	40	^^
Xizhimen Mall	Xizhimenwai Avenue, Beijing	2006	A	CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	17.7%	48,828	40 – 50	^^
Zhengzhou Mall	Erqi District, Zhengzhou	1992	C	CapitaLand Retail Henan Zhengzhou Real Estate Co., Ltd	17.7%	92,356	38	^^

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RETAIL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
INDIA								
Cochin Mall (under development)	Maradu Village, Kanayanoor Taluk, Ernakulam District, Cochin	2008	A	Thomsun Realtors Private Limited	7.4%	102,215 (Super Built-up Area)	Freehold	^^
Forum Value Mall, Bangalore	Krishnarajapuram Hobli, Whitefield, Bangalore	2008	A	Prestige Garden Constructions Private Limited	10.4%	46,817 (SBA)	Freehold	^^
Graphite India, Bangalore (under development)	Doddanekundi, Krishnarajapuram, Whitefield, Bangalore	2008	A	Prestige Whitefield Investment and Developers Private Limited	14.6%	97,731 (SBA)	Freehold	^^
Hyderabad Mall (under development)	Kukatpally, Hyderabad	2009	A	Babji Realtors Private Limited	7.3%	79,125 (SBA)	Freehold	^^
Jalandhar Mall (under development)	Jalandhar	2008	A	Francolin Infrastructure Private Limited	19.4%	103,194 (SBA)	Freehold	^^
Mangalore Mall (under development)	Pandeshwar Road, Mangalore	2008	A	Prestige Mangalore Retail Ventures Private Limited	9.9%	45,916 (SBA)	Freehold	^^
Mysore Mall (under development)	Abba Road/ Hyder Ali Road, Mysore	2008	A	Prestige Mysore Retail Ventures Private Limited	14.6%	33,417 (SBA)	Freehold	^^
Nagpur Mall (under development)	Umrer Road, Nagpur	2008	A	Nunlet Projects Private Limited	19.4%	124,610 (SBA)	Freehold	^^
Udaipur Celebration Mall (under development)	Udaipur	2007	A	Flicker Projects Private Limited	24.4%	36,048 (SBA)	99	^^

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

RETAIL

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Book Value S\$'000
JAPAN								
Chitose Mall	Chitose, Hokkaido	2005	A	CapitaRetail IYC Tokutei Mokuteki Kaisha	17.2%	15,964	Freehold	^^
Co-op Kobe	Nishinomiya-shi, Hyogo	2007	A	CapitaRetail CK Tokutei Mokuteki Kaisha	17.2%	7,970	Freehold	^^
Ito Yokado Eniwa	Eniwa, Hokkaido	2006	A	CapitaRetail IYE Tokutei Mokuteki Kaisha	17.2%	14,843	Freehold	^^
Izumiya Hirakata	Hirakata-shi, Osaka	2005	A	CapitaRetail IH Tokutei Mokuteki Kaisha	17.2%	20,044	Freehold	^^
La Park Mizue	Mizue, Edogawa-ku, Tokyo	2003	A	CapitaRetail LPM Tokutei Mokuteki Kaisha	17.2%	18,430	Freehold	^^
Narashino Shopping Center	Funabashi-shi, Chiba	2007	A	CapitaRetail NS Tokutei Mokuteki Kaisha	17.2%	10,738	Freehold	^^
Vivit Square	Funabashi-shi, Chiba	2005	A	CapitaRetail VS Tokutei Mokuteki Kaisha	17.2%	48,989	Freehold	^^
MALAYSIA								
Gurney Plaza	Persiaran Gurney, Penang	2007	A	CapitaRetail Gurney Sdn. Bhd.	65.5%	65,765	Freehold	^^
MINES Shopping Fair	Jalan Dulang, Selangor	2007	A	Mutual Streams Sdn. Bhd.	65.5% ⁽²⁾	66,827	99	^^
Sungei Wang Plaza Strata Parcels ⁽³⁾	Jalan Sultan Ismail, Kuala Lumpur	2008	A	Vast Winners Sdn. Bhd.	65.5% ⁽²⁾	41,819	Freehold	^^

(1) These properties will not be part of the China portfolio after completion of the asset swap and divestment exercise currently being undertaken by CapitaMalls Asia.

(2) CapitaMalls Asia holds 100% of the subordinated notes issued in respect of Sungei Wang Plaza and MINES Shopping Fair.

(3) Sungei Wang Plaza Strata Parcels comprise the identified strata parcels within Sungei Wang Plaza, and consist of retail space of approximately 61.9% of the aggregate surveyed retail floor area of Sungei Wang Plaza and 1,298 car parking bays.

^^ Total book value for non wholly-owned overseas retail properties: S\$5.5 billion

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

SERVICED RESIDENCE

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
SINGAPORE							
Ascott Raffles Place Singapore	Finlayson Green	2008	C	Ascott Singapore Raffles Place Pte Ltd	100%	146	999
Citadines Singapore Mount Sophia	Wilkie Road	2009	C	Citadines Singapore Mount Sophia Pte Ltd	100%	154	99
HELD THROUGH ASCOTT RESIDENCE TRUST							
Somerset Grand Cairnhill, Singapore	Cairnhill Road	2006	A	Ascott Residence Trust	47.5%	146	99
Somerset Liang Court, Singapore	River Valley Road	2006	A	Ascott Residence Trust	47.5%	197	97
AUSTRALIA							
Citadines Melbourne on Bourke (under construction)	Bourke Street, Melbourne	2008	A	Citadines Melbourne on Bourke Pty Ltd	100%	398	Freehold
HELD THROUGH ASCOTT RESIDENCE TRUST							
Somerset Gordon Heights, Melbourne	Little Bourke Street, Melbourne	2007	A	Ascott Residence Trust	47.5%	43	Freehold
Somerset St Georges Terrace, Perth	St Georges Terrace, Perth	2008	A	Ascott Residence Trust	47.5%	84	Freehold
BELGIUM							
Citadines Bruxelles Sainte-Catherine	Quai au Bois a Bruler, Brussels	2002	A	FBM Belgique	100%	169	Freehold
Citadines Bruxelles Toison d'Or	Avenue de la Toison d'Or, Brussels	2002	A	Immobiliere Toisor-Belgium	65%	154	Freehold
CHINA							
Ascott Guangzhou	Tianhe District, Guangzhou	2008	C	Guangzhou Hai Yi Property Development Co Ltd	100%	208	70
Somerset Garden City, Shenzhen	Nanshan District, Shenzhen	2008	A	Ascott Serviced Residence (China) Fund	33%	147	70
Somerset Heping, Shenyang (under construction)	Taiyuan Street Commercial Zone, Shenyang	2008	A	Ascott Serviced Residence (China) Fund	33%	319	30
Somerset JieFangBei, Chongqing	Yuzhong District, Chongqing	2008	A	Ascott Serviced Residence (China) Fund	33%	157	40

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

SERVICED RESIDENCE

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
CHINA (cont'd)							
Somerset Youyi, Tianjin	Hexi District, Tianjin	2007	A	Ascott Serviced Residence (China) Fund	33%	250	50
Somerset ZhongGuanCun, Beijing	Haidian District, Beijing	2006	C	Somerset Xin Ya (Beijing) Property Leasing Co Ltd	100%	154	70 (general) 40 (third floor) 50 (clubhouse)
Citadines Hongkong Ashley	Tsim Sha Tsui District, Hong Kong	2006	C	Citadines Ashley TST Management (HK) Ltd	100%	36	150
Citadines Shanghai Biyun	Jinqiao Export Processing Zone, Shanghai	2007	A	Ascott Serviced Residence (China) Fund	33%	196	70
Citadines Suzhou Xinghai	Suzhou Industrial Park, Suzhou	2007	C	Suzhou Chongrui Xin Shi Ji Real Estate Co Ltd	100%	167	70
Citadines Wuhan Zhuankou (under construction)	Zhuankou District, Wuhan	2008	A	Ascott Serviced Residence (China) Fund	33%	258	40
Citadines Xi'an Central	Beilin District, Xi'an	2007	C	Citadines Xi'an Central Hotel Co., Ltd	100%	162	70 (residential) 50 (commercial)
Citadines Xi'an Gaoxin (under construction)	Hi-Tech Development Zone, Xi'an	2008	A	Ascott Serviced Residence (China) Fund	33%	284	50
HELD THROUGH ASCOTT RESIDENCE TRUST							
Ascott Beijing	Chaoyang District, Beijing	2006	A	Ascott Residence Trust	47.5%	310	70
Somerset Grand Fortune Garden, Beijing	Chaoyang District, Beijing	2006	A	Ascott Residence Trust	47.5% of 81 units	221	70
Somerset Olympic Tower, Tianjin	Heping District, Tianjin	2006	A	Ascott Residence Trust	47.5%	185	70
Somerset Xu Hui, Shanghai	Xu Hui District, Shanghai	2006	A	Ascott Residence Trust	47.5%	167	70
FRANCE							
Citadines Cannes Carnot	Rue le Poussin, Cannes	2002	A	SCI Cannes Carnot	100%	58	Freehold
Citadines Grenoble	Rue de Strasbourg, Grenoble	2002	A	SA Place de Metz-Greno	100% of 106 units	107	Freehold
Citadines Lille Centre	Avenue Willy brant-Euralille, Lille	2002	A	SA Residence des 2	100%	101	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

SERVICED RESIDENCE

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
FRANCE (cont'd)							
Citadines Lyon Presqu'île	Rue Thomassin, Lyon	2002	A	SCI Residence Lyon	100%	116	Freehold
Citadines Marseille Castellane	Rue de Rouet, Marseille	2002	A	SCI Sodi	100% (finance lease)	97	Freehold
Citadines Marseille Prado Chanot	Boulevard de Louvain, Marseille	2002	A	SCI Marseille	100%	77	Freehold
Citadines Montpellier Antigone	Boulevard d'Antigone, Montpellier	2002	A	SCI Montpellier	100% (finance lease)	125	Freehold
Citadines Paris Austerlitz	Rue Esquirol, Paris	2002	A	SCI Austerlitz	100% (finance lease)	49	Freehold
Citadines Paris Didot Alésia	Rue Didot, Paris	2002	A	ORIVILLE SAS	100% (finance lease)	80	Freehold
Citadines Paris Les Halles	Rue des Innocents, Paris	2002	A	ORIVILLE SAS	100%	189	Freehold
Citadines Paris Louvre	Rue de Richelieu, Paris	2008	A	ORIVILLE SAS	100%	51	Freehold
Citadines Paris Maine-Montparnasse	Avenue du Maine, Paris	2002	A	SCI Montparnasse	100%	67	Freehold
Citadines Paris Montmartre	Avenue Rachel, Paris	2002	A	SNC Rachel	100% of 111 units	113	Freehold
Citadines Paris Place d'Italie	Place d'Italie, Paris	2002	A	SCI Italie	100%	169	Freehold
Citadines Paris Tour Eiffel	Boulevard de Grenelle, Paris	2002	A	SCI Residence Grenelle	100%	104	Freehold
Citadines Paris Trocadéro	Rue Saint-Didier, Paris	2002	A	SARL REO St Didier	100%	97	Freehold
Citadines Paris Voltaire République	Avenue Parmentier, Paris	2002	A	SCI Republique	100% (finance lease)	76	Freehold
GERMANY							
Citadines Berlin Olivaer Platz	Olivaer Platz, Berlin	2002	A	Citador Olivaer Platz GmbH & Co KG	100%	118	Freehold
Citadines Munich Arnulfpark	Arnulfstrasse, Munich	2009	C	Citadines Arnulfpark Munich (Netherlands) BV	100%	146	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

SERVICED RESIDENCE

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
INDIA							
Somerset Greenways, Chennai (under construction)	Sathyadev Avenue, Chennai	2006	A	Rattha Somerset Greenways (Chennai) Private Limited	60%	210	Freehold
Somerset Whitefield, Bangalore (under construction)	Whitefield, Bangalore	2006	A	Rattha Somerset Whitefield (Bangalore) Private Limited	40%	230	Freehold
Citadines Ahmedabad Parimal Garden (under construction)	Central Business District, Ahmedabad	2008	A	Rattha Citadines Ahmedabad ApartHotel Private Limited	40%	220	Freehold
Citadines Chennai Boulevard (under construction)	Mount Poonamelle Road, Chennai	2006	A	Rattha Citadines Boulevard (Chennai) Private Limited	40%	220	Freehold
Citadines Chennai OMR Gateway (under construction)	Old Mahabalipuram Road, Chennai	2007	A	Rattha Citadines OMR ApartHotel Private Limited	40%	300	Freehold
Citadines Hyderabad Hitec City (under construction)	Hitec City, Hyderabad	2007	A	Rattha Citadines Hitec City ApartHotel Private Limited	49%	218	Freehold
INDONESIA							
HELD THROUGH ASCOTT RESIDENCE TRUST							
Serviced Residence							
Ascott Jakarta	Jalan Kebon Kacang Raya, Jakarta	2006	A	Ascott Residence Trust	47.1%	198	26
Somerset Grand Citra, Jakarta	Jalan Prof Dr Satrio Kav 1, Jakarta	2006	A	Ascott Residence Trust	27.3%	203	30
Corporate Leasing							
Country Woods, Jakarta	Jalan WR Supratman, Jakarta	2006	A	Ascott Residence Trust	47.5%	251	20
JAPAN							
Serviced Residence							
Citadines Kyoto Karasuma-Gojo (under construction)	Gojo-ku, Kyoto	2007	A	Citadines Kyoto Gojo Tokutei Mokuteki Kaisha	40%	126	Freehold
Citadines Tokyo Shinjuku	Shinjuku-ku, Tokyo	2009	C	Citadines Shinjuku Tokutei Mokuteki Kaisha	40%	160	Freehold
Corporate Leasing							
Infini Garden	Hamao District, Fukuoka	2008	C	Infini Garden Tokutei Mokuteki Kaisha	30%	395	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

SERVICED RESIDENCE

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
JAPAN (cont'd)							
HELD THROUGH ASCOTT RESIDENCE TRUST							
Serviced Residence							
Somerset Azabu East, Tokyo	Minato-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	79	Freehold
Somerset Roppongi, Tokyo	Minato-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	64	Freehold
Corporate Leasing							
Asyl Court Nakano Sakaue	Nakano-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	62	Freehold
Gala Hachimanyama I	Suginami-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	76	Freehold
Gala Hachimanyama II	Suginami-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	16	Freehold
Joy City Koishikawa	Bunkyo-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	36	Freehold
Joy City Kuramae	Taito-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	60	Freehold
Zesty Akebonobashi	Shinjuku-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	12	Freehold
Zesty Gotokuji	Setagaya-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	15	Freehold
Zesty Higashi Shinjuku	Shinjuku-ku, Tokyo	2007	A	Zenith Residences Tokyo TMK	47.5%	19	Freehold
Zesty Kagurazaka I	Shinjuku-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	20	Freehold
Zesty Kagurazaka II	Shinjuku-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	20	Freehold
Zesty Kasugacho	Nerima-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	32	Freehold
Zesty Koishikawa	Bunkyo-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	15	Freehold
Zesty Komazawa Daigaku II	Meguro-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	29	Freehold
Zesty Nishi Shinjuku III	Shinjuku-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	29	Freehold
Zesty Sakura Shinmachi	Setagaya-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	17	Freehold
Zesty Shin Ekoda	Nerima-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	18	Freehold
Zesty Shoin Jinja	Setagaya-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	16	Freehold
Zesty Shoin Jinja II	Setagaya-ku, Tokyo	2007	A	Ascott Residence Trust	47.5%	17	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

PORTFOLIO DETAILS

SERVICED RESIDENCE

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
MALAYSIA							
Ascott Kuala Lumpur	Jalan Pinang, Kuala Lumpur	1999	C	Amanah Scotts Properties (KL) Sdn Bhd	50%	221	Freehold
Somerset Ampang, Kuala Lumpur (under construction)	Ampang District, Kuala Lumpur	2007	A	Somerset Ampang (Malaysia) Sdn Bhd	100%	208	Freehold
Somerset Seri Bukit Ceylon, Kuala Lumpur	Lorong Ceylon, Kuala Lumpur	2006	C	Liang Court (Malaysia) Sdn Bhd	100% of 48 units	96	Freehold
PHILIPPINES							
HELD THROUGH ASCOTT RESIDENCE TRUST							
Ascott Makati	Ayala Center, Manila	2007	A	Ascott Residence Trust	47.5%	306	48
Somerset Millennium, Makati	Legaspi Village, Manila	2006	A	Ascott Residence Trust	47.5% of 69 units	138	Freehold
Somerset Salcedo, Makati	Salcedo Village, Manila	2006	A	Ascott Residence Trust	47.5% of 71 units	150	Freehold
SPAIN							
Citadines Barcelona Ramblas	Ramblas District, Barcelona	2002	A	Eurimeg Espana SA-Spain	65%	131	Freehold
THAILAND							
Ascott Sathorn Bangkok	South Sathorn Road, Bangkok	2004	C	Sathorn Supsin Company Limited	40%	177	50+10
Citadines Bangkok Sukhumvit 8	Bangkok	2008	C	Boutique Boulevard Ltd	49%	130	Freehold
Citadines Bangkok Sukhumvit 11	Bangkok	2008	C	Boutique Realty Ltd	49%	127	Freehold
Citadines Bangkok Sukhumvit 16	Bangkok	2007	C	Boutique Land Ltd	49%	79	Freehold
Citadines Bangkok Sukhumvit 23	Bangkok	2008	C	Boutique Assets Ltd	49%	138	Freehold

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

SERVICED RESIDENCE

Name	Location	Year	*	Holding Company	Effective Stake (%)	Total No. of Units	Tenure (Years)
UNITED KINGDOM							
Citadines London Barbican	Goswell Road, London	2002	A	FBM London Ltd	100%	129	Freehold
Citadines London Holborn-Covent Garden	High Holborn, London	2008	A	Citadines Holborn CL Limited	100%	192	Freehold
Citadines London South Kensington	Gloucester Road, London	2002	A	Citagrep Ltd	65%	92	Freehold
Citadines London Trafalgar Square	Northumberland Avenue, London	2002	A	FBM London Ltd	100%	187	Freehold
VIETNAM							
Somerset Hoa Binh, Hanoi	Hoang Quoc Viet Street, Hanoi	2008	C	Somerset Hoa Binh JV Co Ltd	90%	206	40
HELD THROUGH ASCOTT RESIDENCE TRUST							
Somerset Chancellor Court, Ho Chi Minh City	Nguyen Thi Minh Khai Street, Ho Chi Minh City	2007	A	Ascott Residence Trust	31.9%	172	48
Somerset Grand Hanoi	Hai Ba Trung Street, Hanoi	2006	A	Ascott Residence Trust	36.1%	185	45
Somerset Ho Chi Minh City	Nguyen Binh Khiem Street, Ho Chi Minh City	2006	A	Ascott Residence Trust	32.8%	165	45
Somerset West Lake, Hanoi	Thuy Khue Road, Hanoi	2009	A	Ascott Residence Trust	33.3%	90	49

* A: Year of Acquisition S: Start of Construction C: Completion of Construction

5-YEAR FINANCIAL SUMMARY

	2005	2006	2007	2008	2009
(A) INCOME STATEMENTS (\$S million)					
Revenue by SBUs					
CapitaLand Residential Limited ⁽¹⁾	3,036.8	2,356.0			
CapitaLand Residential Singapore			548.7	400.2	673.8
CapitaLand China Holdings			985.3	330.3	647.0
CapitaLand Commercial	122.2	139.2	165.7	227.9	144.9
CapitaMalls Asia	50.3	94.6	124.2	206.7	228.9
The Ascott Limited	444.1	478.1	459.5	441.8	393.7
CapitaLand Financial	70.6	101.2	119.2	182.2	162.2
Australand			1,406.7	984.3	732.5
Others	121.6	(21.4)	(16.6)	(21.1)	(25.6)
Total	3,845.6	3,147.7	3,792.7	2,752.3	2,957.4
Earnings Before Interest and Tax (EBIT) by SBUs					
CapitaLand Residential Limited ⁽¹⁾	492.4	692.2			
CapitaLand Residential Singapore			308.6	175.0	371.7
CapitaLand China Holdings			403.4	883.4	551.2
CapitaLand Commercial	24.7	372.4	1,876.7	395.6	(497.4)
CapitaMalls Asia	138.4	221.1	297.9	298.6	449.1
The Ascott Limited	121.4	202.5	337.2	132.2	31.4
CapitaLand Financial	53.3	61.6	69.7	90.4	98.0
Australand			470.0	169.6	(240.8)
Others	30.1	264.3	60.5	68.7	785.8
Total	860.3	1,814.1	3,824.0	2,213.5	1,549.0
Net Profit attributable to Shareholders	750.5	1,012.7	2,759.3	1,260.1	1,053.0
(B) BALANCE SHEETS (\$S million)					
Investment Properties and Properties under Development	6,548.9	5,668.3	6,777.4	4,848.9	5,058.5
Development Properties for Sale	3,542.5	3,622.7	3,540.8	3,347.2	3,590.2
Associates and Jointly-Controlled Entities	3,928.7	4,749.9	6,450.7	7,864.6	8,684.2
Cash and Cash Equivalents	2,111.3	2,684.9	4,356.0	4,228.4	8,729.7
Other Assets	2,051.7	3,866.4	4,716.4	4,794.5	4,103.4
Total Assets	18,183.1	20,592.2	25,841.3	25,083.6	30,166.0
Equity attributable to equity holders of the Company	6,657.7	7,367.7	9,940.9	10,681.7	13,408.3
Total Borrowings	6,611.9	8,129.8	9,916.1	9,829.3	10,312.6
Minority Interests and Other Liabilities	4,913.5	5,094.7	5,984.3	4,572.6	6,445.1
Total Equities & Liabilities	18,183.1	20,592.2	25,841.3	25,083.6	30,166.0
(C) FINANCIAL RATIOS					
Earnings per share (cents)	28.3	36.6	98.6	37.0 ⁽²⁾	26.2
Return on Shareholders' Funds (%)	12.5	14.5	31.9	12.2	8.7
Return on Total Assets (%)	8.2	8.7	15.7	7.9	5.5
Dividend					
First & final dividend per share (cents)	6.0	7.0	8.0	5.5	5.5
Special dividend per share (cents)	12.0	5.0	7.0	1.5	5.0
Total dividend per share (cents)	18.0	12.0	15.0	7.0	10.5
Dividend cover (times)	1.9	3.2	6.5	4.2	2.4
Net Tangible Assets per share (\$S)	2.41	2.64	3.53	3.57	3.03
Debt Equity Ratio (net of cash) (times)	0.50	0.58	0.47	0.47	0.09
Interest Cover (times)	9.19	9.73	13.64	5.50	4.54

Note:

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

¹ With effect from 1 April 2008, CapitaLand Residential Limited SBU was reorganised into 3 main components, namely, CapitaLand Residential Singapore, CapitaLand China Holdings and CapitaLand's holding in Australand.

² Earnings per share for FY2008 was restated for the effects of the rights issue which was completed on 20 March 2009.

STATUTORY ACCOUNTS

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DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2009.

DIRECTORS

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

Dr Hu Tsu Tau	
Peter Seah Lim Huat	
Liew Mun Leong	
Lim Chin Beng	
Jackson Peter Tai	
Richard Edward Hale	
Dr Victor Fung Kwok King	
James Koh Cher Siang	
Arfat Pannir Selvam	
Professor Kenneth Stuart Courtis	
Dr Fu Yuning	(appointed on 27 July 2009)
John Powell Morschel	(appointed on 1 February 2010)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures or options of the Company or of related corporations either at the beginning of the financial year (or date of appointment, if later) or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year in shares, debentures, options and contingent awards in the Company and its related corporations are as follows:

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
The Company		
Ordinary shares		
Dr Hu Tsu Tau	18,108	180,929
Peter Seah Lim Huat	107,363	180,741
Liew Mun Leong	1,032,026	2,628,307
Lim Chin Beng	410,581	642,461
Jackson Peter Tai	369,363	389,060
Richard Edward Hale	434,769	683,106
James Koh Cher Siang	24,340	64,648
Arfat Pannir Selvam	33,581	75,696
Professor Kenneth Stuart Courtis	87,545	101,614
Options to subscribe for ordinary shares exercisable from 26/02/2006 to 25/02/2010 at an exercise price of \$1.79¹ per share		
Jackson Peter Tai	90,000	99,090 ¹
Options to subscribe for ordinary shares exercisable from 26/02/2006 to 25/02/2015 at an exercise price of \$1.78¹ per share		
Liew Mun Leong	200,000	—

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
The Company (cont'd)		
Options to subscribe for ordinary shares exercisable from 25/02/2007 to 24/02/2011 at an exercise price of \$3.28¹ per share		
Dr Hu Tsu Tau	120,000	41,760 ¹
Peter Seah Lim Huat	45,000	60,660 ¹
Jackson Peter Tai	70,000	94,360 ¹
Richard Edward Hale	95,000	128,060 ¹
James Koh Cher Siang	100,000	134,800 ¹
Arfat Pannir Selvam	60,000	80,880 ¹
Options to subscribe for ordinary shares exercisable from 25/02/2007 to 24/02/2016 at an exercise price of \$3.26¹ per share		
Liew Mun Leong	400,000	493,600 ¹
Contingent award of Performance shares² to be delivered after 2008		
Liew Mun Leong	0 to 829,508 ⁴	— ¹
¹ During the financial year, 701,839 ¹ shares were released under the 2006 award to Liew Mun Leong.		
Contingent award of Performance shares² to be delivered after 2009		
Liew Mun Leong (363,669 ¹ shares)	0 to 603,600 ⁴	0 to 727,338 ⁴
Contingent award of Performance shares² to be delivered after 2010		
Liew Mun Leong (360,330 ¹ shares)	0 to 600,000 ⁴	0 to 720,660 ⁴
Contingent award of Performance shares² to be delivered after 2011		
Liew Mun Leong (359,160 shares)	—	0 to 718,320 ⁴
Unvested Restricted shares³ to be delivered after 2007		
Dr Hu Tsu Tau	18,108 ⁶	—
Peter Seah Lim Huat	10,563 ⁶	—
Liew Mun Leong	160,960 ⁸	97,132 ^{1,7}
Lim Chin Beng	13,581 ⁶	—
Jackson Peter Tai	10,563 ⁶	—
Richard Edward Hale	16,599 ⁶	—
James Koh Cher Siang	15,090 ⁶	—
Arfat Pannir Selvam	13,581 ⁶	—
Professor Kenneth Stuart Courtis	7,545 ⁶	—
Unvested Restricted shares³ to be delivered after 2008		
Dr Hu Tsu Tau	0 to 36,000 ⁵	11,876 ^{1,6}
Peter Seah Lim Huat	0 to 21,000 ⁵	6,928 ^{1,6}
Liew Mun Leong	0 to 240,000 ⁵	105,398 ^{1,8}
Lim Chin Beng	0 to 30,836 ⁵	10,173 ^{1,6}
Jackson Peter Tai	0 to 21,000 ⁵	6,928 ^{1,6}
Richard Edward Hale	0 to 33,000 ⁵	10,886 ^{1,6}
James Koh Cher Siang	0 to 30,000 ⁵	9,897 ^{1,6}
Arfat Pannir Selvam	0 to 27,000 ⁵	8,907 ^{1,6}
Professor Kenneth Stuart Courtis	0 to 15,000 ⁵	4,949 ^{1,6}

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year/date of appointment	At end of the year
The Company (cont'd)			
Contingent award of Restricted shares³ to be delivered after 2009			
Dr Hu Tsu Tau	(29,594 shares)	—	0 to 44,391 ⁵
Peter Seah Lim Huat	(29,594 shares)	—	0 to 44,391 ⁵
Liew Mun Leong	(196,976 shares)	—	0 to 295,464 ⁵
Lim Chin Beng	(27,128 shares)	—	0 to 40,692 ⁵
Jackson Peter Tai	(17,263 shares)	—	0 to 25,895 ⁵
Richard Edward Hale	(27,128 shares)	—	0 to 40,692 ⁵
James Koh Cher Siang	(29,594 shares)	—	0 to 44,391 ⁵
Arfat Pannir Selvam	(22,196 shares)	—	0 to 33,294 ⁵
Professor Kenneth Stuart Curtis	(17,263 shares)	—	0 to 25,895 ⁵
Related Corporations			
CapitaMalls Asia Limited			
Ordinary shares			
Dr Hu Tsu Tau		—	29,000
Peter Seah Lim Huat		—	29,000
Liew Mun Leong		—	442,000
Lim Chin Beng		—	29,000
Jackson Peter Tai		—	29,000
Richard Edward Hale		—	38,000
James Koh Cher Siang		—	43,000
Arfat Pannir Selvam		—	54,000
Dr Fu Yuning		—	54,000
The Ascott Capital Pte Ltd			
\$50 million 3.10% Fixed Rate Notes due 2010			
Liew Mun Leong		\$1,000,000	\$1,000,000
\$150 million 4.70% Fixed Rate Notes due 2011			
Liew Mun Leong		\$1,000,000	\$1,000,000
\$200 million 4.38% Fixed Rate Notes due 2012			
Liew Mun Leong		—	\$1,000,000
\$50 million 5.15% Fixed Rate Notes due 2014			
Liew Mun Leong		—	\$1,000,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

Footnotes:

- ¹ On 20 March 2009, adjustments were made to the numbers and exercise prices of unexercised options and the number of shares under contingent awards in accordance with the rules of the CapitaLand Share Option Plan, the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan respectively, arising from the CapitaLand rights issue at the price of \$1.30 per rights share on the basis of one rights share for every two existing ordinary shares ("CapitaLand Rights Issue").
- ² Performance shares are shares under contingent awards pursuant to the CapitaLand Performance Share Plan.
- ³ Restricted shares are shares under contingent awards pursuant to the CapitaLand Restricted Stock Plan.
- ⁴ The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.
- ⁵ 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.
- ⁶ Being the unvested half of the award.
- ⁷ Being the unvested one-third of the award.
- ⁸ Being the unvested two-thirds of the award.

Between the end of the financial year and 21 January 2010, Mr Jackson Peter Tai's interests in the Company increased from 389,060 to 582,510 shares by virtue of the exercise of 193,450 options.

DIRECTORS' INTERESTS IN CONTRACTS

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

- (i) subscription of shares in the Company pursuant to a rights issue at the issue price of \$1.30 per rights share on the basis of one rights share for every two existing ordinary shares; by the following directors:

Directors	No. of shares subscribed	Subscription value \$
Dr Hu Tsu Tau	9,054	11,770
Peter Seah Lim Huat	53,681	69,785
Liew Mun Leong	516,013*	670,817*
Lim Chin Beng	205,290	266,877
Richard Edward Hale	217,384	282,599
James Koh Cher Siang	12,170*	15,821*
Arfat Pannir Selvam	16,790	21,827

* Includes deemed interest.

- (ii) subscription of shares in a subsidiary, CapitaMalls Asia Limited, pursuant to its initial public offering at \$2.12 per share; by the following directors:

Directors	No. of shares subscribed	Subscription value \$
Dr Hu Tsu Tau	29,000	61,480
Peter Seah Lim Huat	29,000	61,480
Liew Mun Leong	442,000	937,040
Lim Chin Beng	29,000	61,480
Jackson Peter Tai	29,000	61,480
Richard Edward Hale	38,000	80,560
James Koh Cher Siang	43,000	91,160
Arfat Pannir Selvam	54,000	114,480
Dr Fu Yuning	54,000	114,480

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN CONTRACTS *(cont'd)*

- (iii) subscription by Mr Liew Mun Leong of \$2.0 million fixed rate notes with coupon rate of 4.38% to 5.15% per annum issued by an indirect subsidiary of the Company, The Ascott Capital Pte Ltd, under a multicurrency medium term notes programme;
- (iv) professional advisory fees of \$85,500 paid or payable to Professor Kenneth Stuart Courtis; and
- (v) professional fees of \$89,925 paid or payable to Arfat Selvam Alliance LLC, of which Mrs Arfat Pannir Selvam is a shareholder.

Save as disclosed above, since the end of the last financial year, no other director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Directors' emoluments are disclosed in "Other Information".

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the "Directors' Interests in Shares or Debentures", "Directors' Interests in Contracts" and "Share Plans" sections of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE PLANS

(a) **CapitaLand Share Option Plan, Performance Share Plan and Restricted Stock Plan**

The CapitaLand Share Option Plan, the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan (collectively referred to as the "Share Plans") were approved and adopted by the members of the Company at an Extraordinary General Meeting held on 16 November 2000.

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 Lim Chin Beng (Chairman)
Mr Peter Seah Lim Huat

Under the Share Option Plan, options are granted to eligible participants exercisable during a certain period and at a certain price set out below. With effect from 2007, the Share Option Plan was replaced by the Restricted Stock Plan as the long term incentive scheme to employees across the Group, though the Share Option Plan remains an approved Share Incentive Scheme.

Under the Performance Share Plan, awards are granted to eligible participants. 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. The Performance Share Plan applies only to key executives.

Under the Restricted Stock Plan, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-based restricted awards). No minimum vesting periods are prescribed under the Restricted Stock Plan. Performance-based restricted awards differ from awards granted under the Performance Share Plan in that an extended vesting period is imposed beyond the performance target completion date.

SHARE PLANS *(cont'd)*

(a) CapitalLand Share Option Plan, Performance Share Plan and Restricted Stock Plan *(cont'd)*

The principal terms of the Share Plans are:

Plans Size and Duration

The aggregate number of new shares over which the ERCC may grant pursuant to the Share Option Plan, when aggregated with the number of new shares to be issued pursuant to the exercise of options and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and the Restricted Stock Plan, shall not exceed 15% of the total number of issued shares in the capital of the Company from time to time. In addition, with effect from April 2009, the total number of new shares under awards which may be granted pursuant to the Performance Share Plan and Restricted Stock Plan during the period from the date of the last Annual General Meeting on 23 April 2009 to the date of the next Annual General Meeting shall not exceed 2% of the total number of issued shares in the capital of the Company from time to time.

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 16 November 2000, 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. The Company will be seeking shareholders' approval at the coming Annual General Meeting to adopt the new share plans.

Notwithstanding the expiry or termination of the Share Plans, any outstanding options held by and/or contingent 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 Option Plan, the following persons shall be eligible to participate:

- Group Executives who have attained the age of 21 years and hold such rank as may be designated by the ERCC from time to time;
- Non-Executive Directors who, in the opinion of the ERCC, have contributed or will contribute to the success of the Group; and
- Executives of Parent Group and Executives of Associated Company (over which the Company has operational control) 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.

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

- Group Executives who have attained the age of 21 years and hold such rank as may be designated by the ERCC from time to time;
- Non-Executive Directors (other than Non-Executive Directors of Parent Group) who, in the opinion of the ERCC, have contributed or will contribute to the success of the Group; and
- 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.

DIRECTORS' REPORT

SHARE PLANS *(cont'd)*

(a) **CapitaLand Share Option Plan, Performance Share Plan and Restricted Stock Plan** *(cont'd)*

Maximum Entitlements

The Share Plans provide that the number of options or contingent awards to be granted be discretionary. However, under the Share Option Plan, the aggregate number of shares which may be offered by way of grant of options to Parent Group Executives and Non-Executive Directors of Parent Group shall not exceed 20% of the total number of shares available under the Share Option Plan.

Exercise Period

Under the Share Option Plan, options with acquisition prices which are equal to, or higher than, a price equal to the volume-weighted average price for the Company shares on the SGX-ST over the three consecutive Trading Days immediately preceding the date of grant of that option (the "Market Price") may be exercised one year after the date of grant, and in accordance with a vesting schedule and the conditions (if any) to be determined by the ERCC on the date of grant of the respective options.

Options with acquisition prices which represent a discount to the Market Price may be exercised two years after the date of grant, and in accordance with a vesting schedule and the conditions (if any) to be determined by the ERCC on the date of grant of the respective options.

Acquisition Price

The acquisition price for each share in respect of which an option is exercisable shall be determined by the ERCC, in its absolute discretion, to be either:

- a price equal to the Market Price or such higher price as may be determined by the ERCC in its absolute discretion; or
- a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the ERCC in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price in respect of that option.

Grant of Options

Options under the Share Option Plan may be granted at any time during the period when the said plan is in force, except that no options shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's financial results. In the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, options may be granted on or after the fourth market day after the day on which such announcement is released.

(b) **Options Granted**

With effect from 2007, the Company has ceased granting options under the CapitaLand Share Option Plan and has granted contingent awards of shares under the CapitaLand Restricted Stock Plan in place of options.

For Australand, a listed subsidiary of the Group, the Australand Employees Securities Ownership Plan ("Australand ESOP") offers a five-year, interest-free loan to enable employees to purchase a specified number of Australand stapled securities allocated by Australand's Remuneration Committee. The loan has limited recourse and the employees' obligations to repay the loan are limited to the market value of the securities at any time. The loan will be partly repaid by distributions on the securities held and must be fully repaid on cessation of employment with Australand or by the fifth anniversary of the origination date of the loan, whichever is earlier. The last offer under Australand ESOP was made on 30 June 2006 and hence Australand ESOP will cease to exist on 30 June 2011.

In addition to the above Australand ESOP, options over unissued Australand stapled securities have previously been issued to employees under the terms of the Australand Share Option Scheme. No options have been issued under this scheme since March 2002. No future options will be issued under this scheme.

SHARE PLANS (cont'd)**(c) Options Exercised**

During the financial year, there were 4,185,255 new ordinary shares issued for cash fully paid in the capital of the Company pursuant to the exercise of options at exercise prices ranging from \$0.35 to \$4.19 per share.

Save as disclosed above, there were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiary.

(d) Unissued Shares under Options

At the end of the financial year, there were the following unissued ordinary shares of the Company under options:

	Number of Holders	Expiry Date	Exercise Price (per share) \$	Number of Unissued Shares Under Options
The Company				
Non-Executive Directors	2	25/02/2010	1.79	121,110
(including non-executive directors of subsidiaries and former directors)	12	24/02/2011	3.28	837,080
				958,190
Group Executives				
	1	12/04/2010	1.14	28,476
	13	11/06/2010	1.26	66,919
	9	03/08/2010	1.23	23,200
	17	18/06/2011	1.20	117,149
	21	10/05/2012	0.54	150,720
	43	28/02/2013	0.35	282,208
	6	29/08/2013	0.35	8,117
	91	27/02/2014	0.55	800,759
	13	27/08/2014	0.90	74,480
	1	24/01/2015	1.48	22,320
	306	25/02/2015	1.78	3,564,709
	37	26/08/2015	2.21	199,706
	621	24/02/2016	3.26	11,452,039
	1	19/06/2016	3.74	187,350
	62	01/09/2016	4.19	770,684
				17,748,836
Total				18,707,026

DIRECTORS' REPORT

SHARE PLANS (cont'd)

(d) Unissued Shares under Options (cont'd)

The aggregate number of options granted since the commencement of the CapitaLand Share Option Plan to the end of the financial year is as follows:

Participants	Options adjusted during the year*	Aggregate options granted since the commencement of the Share Option Plan	Aggregate options exercised	Aggregate options lapsed/cancelled	Aggregate outstanding options
Directors of the Company					
Dr Hu Tsu Tau	41,760	281,760	(240,000)	–	41,760
Peter Seah Lim Huat	15,660	494,460	(433,800)	–	60,660
Liew Mun Leong	122,200	6,257,200	(5,763,600)	–	493,600
Lim Chin Beng	–	798,410	(798,410)	–	–
Jackson Peter Tai	33,450	722,250	(308,800)	(220,000)	193,450
Richard Edward Hale	33,060	608,230	(480,170)	–	128,060
James Koh Cher Siang	34,800	134,800	–	–	134,800
Arfat Pannir Selvam	20,880	100,880	(20,000)	–	80,880
	301,810	9,397,990	(8,044,780)	(220,000)	1,133,210
Non-Executive Directors of subsidiaries (including former directors of the Company)	100,020	9,225,880	(8,377,850)	(529,450)	318,580
Group Executives (excluding Liew Mun Leong)	3,272,282	138,155,955	(86,953,568)	(33,947,151)	17,255,236
Parent Group Executives and others	–	2,662,482	(2,232,834)	(429,648)	–
Total	3,674,112	159,442,307	(105,609,032)	(35,126,249)	18,707,026

* On 20 March 2009, adjustments were made to the total number and exercise prices of unexercised options in accordance with the rules of the CapitaLand Share Option Plan arising from the CapitaLand Rights Issue. Exercise prices of the unexercised options were adjusted lower by \$0.47 per option (i.e., theoretical rights price) and an additional 3,674,112 options were granted to compensate for the decline in values of the said options.

At the end of the financial year, there were also unissued stapled securities of a subsidiary under options as follows:

Australand	Number of Holders	Expiry Date	Exercise Price** (per stapled security) A\$	Number of Unissued Stapled Securities Under Options
Directors	1	13/03/2011	0.220	25,000
Employees	20	13/03/2011	0.220	194,250
Total				219,250

** Australand completed its rights issue of seven-for-10 rights issue at A\$0.40 per security in September 2009. Exercise prices of the outstanding options granted under its Share Option Plan were adjusted to compensate for the decline in values of the said options.

Save as disclosed above, there were no unissued shares of the Company or its subsidiary under options as at the end of the financial year.

SHARE PLANS (cont'd)

(e) Awards under the CapitaLand Performance Share Plan

During the financial year, the ERCC of the Company has granted awards conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released by the ERCC to the recipient at the end of the qualifying performance period, provided the threshold targets are achieved.

The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.

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

Year of Contingent Award	No. of holders	Balance as at 1 January 2009 No. of shares	Movements during the year				Balance as at 31 December 2009 No. of holders	No. of shares
			Granted/Adjusted^	Released	Lapsed/ Cancelled			
2006	59	2,992,901	1,875,615	(4,612,252)	(256,264)	—	—	
2007	68	2,546,760	489,217	—	(416,363)	60	2,619,614	
2008	83	2,885,177	554,570	—	(450,992)	74	2,988,755	
2009	—	—	4,163,565	—	(308,279)	81	3,855,286	
		8,424,838	7,082,967	(4,612,252)	(1,431,898)		9,463,655	

[^] On 20 March 2009, adjustments were made to the number of shares under contingent awards in accordance with the rules of the CapitaLand Performance Share Plan arising from the CapitaLand Rights Issue. The Company granted a total of 1,840,208 shares to compensate for the decline in values of the said awards.

(f) Awards under the CapitaLand Restricted Stock Plan

During the financial year, the ERCC of the Company has granted awards conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved.

The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting 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 2008, the ERCC of the Company has instituted a set of share ownership guidelines for senior management who receive shares under the Restricted Stock Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaLand shares acquired through the Restricted Stock Plan which will vary according to their job grades and base salaries.

DIRECTORS' REPORT

SHARE PLANS (cont'd)

(f) Awards under the CapitaLand Restricted Stock Plan (cont'd)

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

Year of Contingent Award	Balance as at 1 January 2009		Movements during the year			Balance as at 31 December 2009	
			Granted/Adjusted ^{^^}	Released	Lapsed/ Cancelled		
	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2007	949	3,991,514	788,266	(2,415,731)	(351,915)	868	2,012,134
2008	1,362	5,891,945	(73,529)	(1,908,780)	(531,000)	1,223	3,378,636
2009	—	—	8,971,380	—	(741,156)	1,656	8,230,224
		9,883,459	9,686,117	(4,324,511)⁺	(1,624,071)		13,620,994

^{^^} On 20 March 2009, adjustments were made to the number of shares under contingent awards in accordance with the rules of the CapitaLand Restricted Stock Plan arising from the CapitaLand Rights Issue. The Company granted a total of 1,735,695 shares (of which 240,534 are to be cash-settled) to compensate for the decline in values of the said awards.

⁺ The number of shares released during the year was 4,324,511, of which 579,928 were cash-settled.

As at 31 December 2009, the number of shares comprised in contingent awards granted under the CapitaLand Restricted Stock Plan is as follows:

	2009	
	Equity-settled	Cash-settled
Final number of shares has not been determined (baseline award) [#]	6,965,085	1,265,139
Final number of shares determined but not released	4,615,777	774,993
	11,580,862	2,040,132

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

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

(g) Awards under the Australand Performance Rights Plan and Australand Tax Exempt Employee Security Plan

(i) Australand Performance Rights Plan

The establishment of the Australand Performance Rights Plan was approved by Australand's shareholders at the 2007 Annual General Meeting ("AGM").

The number of securities outstanding under the Australand Performance Rights Plan as at the end of the year is summarised below:

Year of Contingent Award	Balance as at 1 January 2009	Movements during the year		Balance as at 31 December 2009
		Granted	Forfeited/ Cancelled	
2007	4,038,700	—	(3,480,600)	558,100
2008	2,335,100	—	(936,967)	1,398,133
2009	—	14,710,100	(3,040,933)	11,669,167
	6,373,800	14,710,100	(7,458,500)	13,625,400

SHARE PLANS *(cont'd)*

(g) Awards under the Australand Performance Rights Plan and Australand Tax Exempt Employee Security Plan *(cont'd)*

(ii) Australand Tax Exempt Employee Security Plan

The Australand Tax Exempt Employee Security Plan in which tax exempt stapled securities may be issued by the company to employees for no cash consideration was approved by Australand's shareholders at the 2007 AGM. All Australian resident permanent (full-time and part-time) employees (excluding directors and participants in the Australand Performance Rights Plan) who have been continuously employed by the Group for a period of at least nine months as at the invitation date and are still employees as at the acquisition date are eligible to participate in the plan. Employees may elect not to participate in the plan.

The plan provides up to A\$1,000 of Australand stapled securities (tax-free) to eligible employees annually in the third quarter of each calendar year for no cash consideration.

A three-year restriction period on selling, transferring or otherwise dealing with the securities applies, unless the employee leaves Australand. Under the plan, employees will receive the same benefits as all other security holders.

The number of securities issued to participants in the plan is the offer amount divided by the weighted average price at which Australand's stapled securities are traded on the Australian Stock Exchange during the week up to and including the acquisition date (rounded down to the nearest whole number of stapled securities).

Australand did not issue any securities under the Australand Tax Exempt Employee Security Plan in 2009 (2008: 1,241,673).

AUDIT COMMITTEE

The Audit Committee members at the date of this report are Mr Richard Edward Hale (Chairman), Mr James Koh Cher Siang and Mrs Arfat Pannir Selvam.

The Audit Committee performs the functions specified by Section 201B of the Companies Act, Chapter 50 (the "Act"), the Listing Manual of the SGX-ST, and the Code of Corporate Governance.

The principal responsibility of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. Areas of review by the Audit Committee include:

- the reliability and integrity of the financial statements;
- the impact of new, revised or proposed changes in accounting policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations, particularly those of the Act and the Listing Manual of the SGX-ST;
- the appropriateness of quarterly and full year announcements and reports;
- the adequacy of internal controls and evaluation of adherence to such controls;
- the effectiveness and efficiency of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors' remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions;
- the findings of internal investigation, if any;
- the framework and processes established for the implementation of the terms of the collaboration agreement with CapitaMalls Asia 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.

DIRECTORS' REPORT

AUDIT COMMITTEE *(cont'd)*

The Audit Committee also reviews arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Pursuant to this, the Audit Committee has introduced a Whistle Blowing Policy where employees may raise improprieties to the Audit Committee Chairman in good faith, with the confidence that employees making such reports will be treated fairly and be protected from reprisal.

The Audit Committee met four times in 2009. Specific functions performed during the year included reviewing the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the Board of Directors of the Company for adoption. The Audit Committee also met with the external and internal 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 indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Dr Hu Tsu Tau
Director



Liew Mun Leong
Director

Singapore
26 February 2010

STATEMENT BY DIRECTORS

In our opinion:

- (a) the financial statements set out on pages 122 to 205 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 2009, and of the results and changes in equity of the Group and of the Company, and of the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Dr Hu Tsu Tau
Director



Liew Mun Leong
Director

Singapore
26 February 2010

INDEPENDENT AUDITORS' REPORT

To the Members of CapitaLand Limited

We have audited the accompanying financial statements of CapitaLand Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2009, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 122 to 205.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 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; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



KPMG LLP

Public Accountants and
Certified Public Accountants

Singapore

26 February 2010

BALANCE SHEETS

As at 31 December 2009

			The Group		The Company
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Non-Current Assets					
Property, Plant and Equipment	3	1,772,301	1,633,378	7,291	8,814
Intangible Assets	4	517,273	588,936	—	—
Investment Properties	5	4,406,166	4,254,839	—	—
Properties Under Development	6	652,341	593,945	—	—
Interests in Subsidiaries	7	—	—	12,258,126	6,828,287
Interests in Associates	8(a)	7,012,174	6,777,813	—	—
Interests in Jointly-Controlled Entities	9(a)	1,672,056	1,086,780	—	—
Other Financial Assets	10(a)	193,156	506,051	—	—
Deferred Tax Assets	30(a)	81,250	78,092	5,461	9,854
Other Non-Current Assets	11	40,956	19,199	147	147
		16,347,673	15,539,033	12,271,025	6,847,102
Current Assets					
Development Properties for Sale	12	3,590,244	3,347,168	—	—
Consumable Stock		26	23	—	—
Trade and Other Receivables	13	1,303,353	1,715,099	87,847	1,423,695
Other Financial Assets	10(b)	195,000	253,885	—	—
Cash and Cash Equivalents	16	8,729,718	4,228,405	2,356,466	757,801
		13,818,341	9,544,580	2,444,313	2,181,496
Less: Current Liabilities					
Trade and Other Payables	17	1,880,017	2,357,161	1,242,589	133,946
Short Term Bank Borrowings	20	992,974	1,005,902	—	—
Current Portion of Debt Securities	21	400,776	865,113	—	—
Current Portion of Finance Leases	22	3,836	4,212	—	—
Current Tax Payable		457,374	460,384	10,515	3,968
		3,734,977	4,692,772	1,253,104	137,914
Net Current Assets		10,083,364	4,851,808	1,191,209	2,043,582
Less: Non-Current Liabilities					
Long Term Bank Borrowings	20	3,951,770	3,639,590	—	—
Debt Securities	21	4,929,453	4,279,257	3,305,801	2,518,579
Finance Leases	22	33,745	35,260	—	—
Deferred Tax Liabilities	30(a)	173,756	130,639	65,986	39,995
Deferred Income	23	528	754	—	—
Other Non-Current Liabilities	18	462,022	317,539	44,597	63,869
		9,551,274	8,403,039	3,416,384	2,622,443
Net Assets		16,879,763	11,987,802	10,045,850	6,268,241
Representing:					
Share Capital	25	6,229,227	4,396,144	6,229,227	4,396,144
Revenue Reserves		6,839,047	5,423,671	3,396,949	1,617,293
Other Reserves	26	339,999	861,874	419,674	254,804
Equity attributable to Equity Holders of the Company		13,408,273	10,681,689	10,045,850	6,268,241
Minority Interests		3,471,490	1,306,113	—	—
Total Equity		16,879,763	11,987,802	10,045,850	6,268,241

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

INCOME STATEMENTS

Year ended 31 December 2009

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue	28	2,957,359	2,752,321	510,348	694,416
Cost of sales		(1,931,165)	(1,680,164)	–	–
Gross profit		1,026,194	1,072,157	510,348	694,416
Other operating income	29(a)	1,238,399	1,330,657	1,284,775	93,163
Administrative expenses		(412,649)	(466,844)	(149,068)	(72,767)
Other operating expenses		(572,121)	(97,574)	(115,509)	(72)
Profit from operations		1,279,823	1,838,396	1,530,546	714,740
Finance costs	29(d)	(453,922)	(516,331)	(144,796)	(116,686)
Share of results of:					
– associates		(197,961)	318,275	–	–
– jointly-controlled entities		467,156	56,819	–	–
		269,195	375,094	–	–
Profit before taxation	29	1,095,096	1,697,159	1,385,750	598,054
Taxation	30(b)	(86,462)	(235,776)	(760)	3,693
Profit for the year		1,008,634	1,461,383	1,384,990	601,747
Attributable to:					
Equity holders of the Company		1,052,959	1,260,113	1,384,990	601,747
Minority interests		(44,325)	201,270	–	–
Profit for the year		1,008,634	1,461,383	1,384,990	601,747
Basic earnings per share (cents)	31	26.2	37.0 ¹		
Diluted earnings per share (cents)	31	25.9	36.0 ¹		

¹ Restated for the effects of the CapitaLand Rights Issue.

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

STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 December 2009

		The Group		The Company	
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Profit for the year		1,008,634	1,461,383	1,384,990	601,747
Other comprehensive income:					
Exchange differences arising from translation of foreign operations and foreign currency loans		158,751	(343,809)	–	–
Change in fair value of available-for-sale investments		12,436	(59,424)	–	–
Effective portion of change in fair value of cash flow hedges		102,585	(179,141)	–	–
Other capital reserve		(132)	(136)	–	–
Share of other comprehensive income of associates and jointly-controlled entities		(27,522)	63,646	–	–
Total other comprehensive income for the year, net of income tax	27	246,118	(518,864)	–	–
Total comprehensive income for the year		1,254,752	942,519	1,384,990	601,747
Attributable to:					
Equity holders of the Company		1,056,899	1,022,300	1,384,990	601,747
Minority interests		197,853	(79,781)	–	–
Total comprehensive income for the year		1,254,752	942,519	1,384,990	601,747

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2009

The Group	Share Capital \$'000	Revenue Reserves \$'000	Other Reserves \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
At 1 January 2009	4,396,144	5,423,671	861,874	10,681,689	1,306,113	11,987,802
Rights issue	1,789,901	–	–	1,789,901	–	1,789,901
Issue of shares	43,182	–	(35,028)	8,154	–	8,154
Dividends paid	–	(297,159)	–	(297,159)	–	(297,159)
Transfer between reserves	–	684,231	(684,231)	–	–	–
Equity portion of convertible bonds issued	–	–	173,767	173,767	–	173,767
Repurchase of convertible bonds	–	4,780	(16,462)	(11,682)	–	(11,682)
Share-based payments	–	–	23,892	23,892	225	24,117
Minority interests contributions (net)	–	–	–	–	214,952	214,952
Effects of acquisitions and disposals of subsidiaries	–	–	–	–	1,850,642	1,850,642
Dividends paid/payable to minority interests	–	–	–	–	(93,690)	(93,690)
Total comprehensive income for the year	–	1,052,959	3,940	1,056,899	197,853	1,254,752
Share of other capital reserve of associates and a subsidiary	–	–	(18,153)	(18,153)	(4,609)	(22,762)
Others	–	(29,435)	30,400	965	4	969
At 31 December 2009	6,229,227	6,839,047	339,999	13,408,273	3,471,490	16,879,763
At 1 January 2008	4,350,058	4,011,179	1,579,655	9,940,892	1,924,447	11,865,339
Issue of shares	46,086	–	(25,665)	20,421	2,535	22,956
Dividends paid	–	(423,398)	–	(423,398)	–	(423,398)
Transfer between reserves	–	584,000	(584,000)	–	–	–
Equity portion of convertible bonds issued	–	–	82,940	82,940	–	82,940
Share-based payments	–	–	54,198	54,198	1,281	55,479
Transfer of equity compensation reserve to liability by a subsidiary	–	2,007	(14,178)	(12,171)	–	(12,171)
Minority interests contributions (net)	–	–	–	–	169,093	169,093
Effects of acquisitions and disposals of subsidiaries	–	–	–	–	(635,413)	(635,413)
Dividends paid/payable to minority interests	–	–	–	–	(73,386)	(73,386)
Total comprehensive income for the year	–	1,260,113	(237,813)	1,022,300	(79,781)	942,519
Share of other capital reserve of associates and a subsidiary	–	–	(2,605)	(2,605)	(2,663)	(5,268)
Others	–	(10,230)	9,342	(888)	–	(888)
At 31 December 2008	4,396,144	5,423,671	861,874	10,681,689	1,306,113	11,987,802

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2009

The Company	Share Capital \$'000	Capital Reserve \$'000	Revenue Reserves \$'000	Equity Compensation Reserve \$'000	Total Equity \$'000
At 1 January 2009	4,396,144	213,212	1,617,293	41,592	6,268,241
Dividends paid	—	—	(297,159)	—	(297,159)
Rights issue	1,789,901	—	—	—	1,789,901
Issue of shares	43,182	—	—	(10,151)	33,031
Equity portion of convertible bonds issued	—	189,240	—	—	189,240
Repurchase of convertible bonds	—	(18,962)	7,280	—	(11,682)
Share-based payments	—	—	—	4,743	4,743
Capital return by a subsidiary	—	—	684,545	—	684,545
Total comprehensive income for the year	—	—	1,384,990	—	1,384,990
At 31 December 2009	6,229,227	383,490	3,396,949	36,184	10,045,850
At 1 January 2008	4,350,058	117,272	854,944	36,622	5,358,896
Dividends paid	—	—	(423,398)	—	(423,398)
Issue of shares	46,086	—	—	(10,767)	35,319
Equity portion of convertible bonds issued	—	95,940	—	—	95,940
Share-based payments	—	—	—	15,737	15,737
Capital return by a subsidiary	—	—	584,000	—	584,000
Total comprehensive income for the year	—	—	601,747	—	601,747
At 31 December 2008	4,396,144	213,212	1,617,293	41,592	6,268,241

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	2009 \$'000	2008 \$'000
Operating activities		
Profit after taxation	1,008,634	1,461,383
Adjustments for:		
Amortisation and impairment of intangible assets	56,565	2,003
Negative goodwill	(2,958)	(55,195)
Allowance/(Write back) for:		
– foreseeable losses	304,028	88,457
– doubtful receivables	15,361	(6,995)
– impairment on financial assets	50,953	39,877
– impairment on interests in associates and jointly-controlled entities	55,254	3,490
Share-based expenses	28,727	57,644
Changes in fair value of financial instruments	34,210	(41,677)
Depreciation of property, plant and equipment	61,466	55,227
(Gain on disposal)/Write off of property, plant and equipment	(21,750)	(33,829)
Gain on disposal of investment properties and properties under development	(19,140)	(76,600)
Net fair value loss/(gain) from investment properties and properties under development	225,932	(300,682)
Gain on disposal of non-current financial assets	(56,467)	(22,982)
Gain on disposal/dilution of subsidiaries, associates and jointly-controlled entities	(925,214)	(531,919)
Share of results of associates and jointly-controlled entities	(269,195)	(375,094)
Accretion of deferred income	895	–
Interest expense	453,922	516,331
Interest income	(76,550)	(106,211)
Tax expense	86,462	235,776
	2,501	(552,379)
Operating profit before working capital changes	1,011,135	909,004
Decrease/(Increase) in working capital:		
Trade and other receivables	172,784	458,226
Development properties for sale	(109,362)	(65,413)
Trade and other payables	(129,053)	(12,268)
Financial assets	58,804	47,996
Changes in working capital	(6,827)	428,541
Cash generated from operations	1,004,308	1,337,545
Income tax paid	(61,662)	(192,136)
Customer deposits and other non-current payables (refunded)/received	(66,583)	24,636
Net cash generated from operating activities carried down	876,063	1,170,045

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	Note	2009 \$'000	2008 \$'000
Net cash generated from operating activities brought forward		876,063	1,170,045
Investing activities			
Proceeds from disposal of property, plant and equipment		82,592	101,821
Purchase of property, plant and equipment		(205,774)	(358,230)
Increase in associates and jointly-controlled entities		(1,174,234)	(1,346,566)
Decrease/(Increase) in amounts owing by investee companies and other receivables		34,277	(16,644)
Deposits for new investments		–	(21,131)
Acquisition of investment properties and properties under development		(269,831)	(1,366,782)
Proceeds from disposal of investment properties and properties under development		238,903	1,169,478
Disposal of non-current financial assets		132,233	60,930
Dividends received from associates and jointly-controlled entities		319,069	265,792
Proceed from listing and offering of a subsidiary		2,763,112	–
Acquisition of remaining interests in subsidiaries		(21,786)	(959,970)
Net proceeds from acquisitions and disposals of subsidiaries	33(e)	449,000	1,447,461
Interest income received		33,159	87,462
Net cash generated from/(used in) investing activities		2,380,720	(936,379)
Financing activities			
Proceeds from issue of shares under share option plan		8,154	22,956
Proceed from rights issue		1,789,655	–
Proceeds from amounts owing to minority interests		20,382	16,678
Contribution from minority interests		203,634	162,554
Repayment of amount owing from sales of future receivables		(234,279)	(457,092)
Proceeds from bank borrowings		2,578,312	3,455,464
Repayment of bank borrowings		(3,114,737)	(3,583,191)
Proceeds from issue of debt securities		1,450,000	1,503,367
Repayment of debt securities		(548,553)	(443,431)
Repayment of finance lease payables		(4,509)	(8,006)
Dividends paid to minority interests		(83,037)	(76,895)
Dividends paid to shareholders		(297,159)	(423,398)
Interest expense paid		(495,552)	(556,541)
Net cash generated from/(used in) financing activities		1,272,311	(387,535)
Net increase/(decrease) in cash and cash equivalents		4,529,094	(153,869)
Cash and cash equivalents at beginning of the year		4,228,405	4,355,986
Effect of exchange rate changes on cash balances held in foreign currencies		(27,781)	26,288
Cash and cash equivalents at end of the year	16	8,729,718	4,228,405

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 26 February 2010.

1 DOMICILE AND ACTIVITIES

CapitaLand Limited (the “Company”) is incorporated in the Republic of Singapore and has its registered office at 168 Robinson Road, #30-01, Capital Tower, Singapore 068912.

The principal activities of the Company during the financial year are those relating to investment holding and consultancy services as well as the corporate headquarters which gives direction, provides management support services and integrates the activities of its subsidiaries.

The principal activities of the significant subsidiaries are those relating to investment holding, real estate development, investment in real estate financial products and real estate assets, investment advisory and management services as well as management of serviced residences.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

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

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

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

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are included in the following notes:

- Note 2(m) – classification of leases
- Note 2(n) – estimation of the percentage of completion of the projects, attributable profits and foreseeable losses
- Note 3 – measurement of recoverable amounts of property, plant and equipment
- Note 4 – assumptions of recoverable amounts relating to goodwill impairment
- Note 5 – valuation of investment properties
- Note 6 – valuation of properties under development
- Note 24 – measurement of share-based payments
- Note 33(b) – valuation of assets, liabilities and contingent liabilities acquired in business combinations
- Note 34 – valuation of financial instruments

The accounting policy relating to property under development was changed during the year arising from the adoption of amendments to FRS 40 *Investment Property* and the effects of this change are disclosed in note 2(f)(ii).

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

The Group applies FRS 1 (revised 2008) *Presentation of Financial Statements*, which became effective as of 1 January 2009. FRS 1 (revised 2008) requires the Group to present in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. FRS 1 (revised 2008) impacts presentation of financial information, and does not have any impact on the Group's financial position or results.

The Group also applies the amendments to FRS 107 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*, which became effective as of 1 January 2009. The amendments require disclosures of financial instruments measured at fair value to be based on a "three-level" fair value hierarchy that reflects the significance of the input in such fair value measurements. The amendments also require additional qualitative and quantitative disclosures of liquidity risks. The additional disclosures required are shown in note 34. In accordance with the transitional rules under the standard, comparative information is not required.

Except for the above changes, the accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements.

(b) Basis of consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess or deficiency of the purchase consideration over the net fair value of the identifiable assets, liabilities and contingent liabilities is accounted for as goodwill or negative goodwill (see note 2(e)(i)).

For acquisition of subsidiaries prior to 1 January 2004 which previously met the criteria for merger of businesses such that the assets and liabilities and results were accounted for under the pooling of interests method, the classification and accounting treatment of these business combinations have not been reconsidered or restated in preparing the Group's financial statements.

Subsidiaries

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

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates and jointly-controlled entities

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly-controlled entities are entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly-controlled entities (collectively referred to as "equity accounted investees") are accounted for using the equity method and are recognised initially at cost. The 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 income, expenses and equity movements of associates and jointly-controlled entities, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is stated at zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(b) Basis of consolidation *(cont'd)*

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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

Investments in subsidiaries, associates and jointly-controlled entities are stated in the Company's balance sheet at cost less accumulated impairment losses.

(c) Foreign currencies

Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency").

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

Foreign currency differences arising from retranslation are recognised in the income statement, except for differences arising from the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below), available-for-sale equity instruments and financial liabilities designated as hedges of net investment in a foreign operation (see note 2(g)) or qualifying cash flow hedges, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the reporting date. 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. When a foreign operation is disposed off, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the income statement.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. When the foreign operation is disposed off, the cumulative amount in equity is transferred to the income statement as an adjustment to the profit or loss arising from disposal.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Depreciation on other property, plant and equipment is provided on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings (excluding serviced residence properties)	Remaining lease period ranging from 17 to 19 years
Hospitality plant, machinery, improvements, furniture, fittings and equipment	1 to 10 years
Other plant, machinery and improvements	3 to 10 years
Other furniture, fittings and equipment	2 to 5 years
Motor vehicles	5 years

For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. No depreciation is recognised where the residual value is higher than the carrying amount. Based on historical trends and past experience, the intended holding period (the period from the date of commencement of serviced residence operations to the date of expected strategic divestment of the properties) ranges from three to five years. In 2009, the Group reviewed and extended the holding period of some of the properties by another three to five years. The extension of the holding period does not have a significant impact on the financial statements.

Residual values of the properties at the end of the intended holding period are determined based on annual independent professional valuation. Residual value is the estimated amount that the Group would obtain from the disposal of a property if the property is already of the age and in the condition expected at the date when the Group has the intention to dispose that property.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed.

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

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Negative goodwill represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

Goodwill arising from the acquisition of subsidiaries is presented in intangible assets. Goodwill arising from the acquisition of associates and jointly-controlled entities is presented together with interests in associates and jointly-controlled entities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(e) Intangible assets *(cont'd)*

(i) Goodwill *(cont'd)*

Acquisition prior to 1 January 2004

Prior to 1 January 2001, goodwill and negative goodwill on acquisitions were written off against accumulated profits in the year of acquisition.

From 1 January 2001 to 31 December 2003, goodwill was stated at cost from the date of initial recognition and amortised over its estimated useful life of 20 years. On 1 January 2004, the Group discontinued the amortisation of goodwill. The remaining goodwill balance is subject to testing for impairment (see note 2(j)). Negative goodwill was derecognised by crediting accumulated profits on 1 January 2004.

Acquisition on or after 1 January 2004

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 2(j). Negative goodwill is credited to the income statement in the period of the acquisition.

Acquisition of minority interest

Goodwill arising from the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

(ii) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses. They are amortised in the income statement on a straight-line basis over their estimated useful lives of one to 10 years, from the date on which they are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less impairment losses.

(f) Investment properties and properties under development

(i) Investment properties

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the income statement. 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 is disposed off, the resulting gain or loss recognised in the income statement is the difference between the net disposal proceed and the carrying amount of the property.

(ii) Properties under development

Properties under development are properties being constructed or developed for future rental. Prior to 1 January 2009, properties under development are carried at cost less accumulated impairment losses until construction or development is completed, at which time they are transferred and accounted for as investment properties.

Change in accounting policy

In line with the amendments made to FRS 40 *Investment Property*, effective for financial periods beginning on or after 1 January 2009, any property that is being constructed or developed for future use as an investment property will be classified as an investment property. As the Group has adopted the fair value model to measure its investment properties, the fair value model has also been applied to properties under development with effect from 1 January 2009 and any changes will be recognised in the income statement. In accordance with the transitional provisions of FRS 40, the change in accounting policy has been applied prospectively.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(f) Investment properties and properties under development *(cont'd)*

(ii) Properties under development *(cont'd)*

Change in accounting policy *(cont'd)*

The change in accounting policy had the following impact on the financial statements:

	The Group 2009 \$'000
Balance sheet as at 31 December	
Increase in properties under development	76,004
Increase in interests in associates	48,558
Increase in deferred tax liabilities	(46,431)
Income statement for the year ended 31 December	
Decrease in other operating expenses	76,004
Increase in share of results of associates	48,558
Increase in taxation	(46,431)
Increase in minority interests	(727)
Increase in profit attributable to equity holders of the Company	77,404
Earnings per share	
Increase in basic earnings per share (cents)	1.93
Increase in diluted earnings per share (cents)	1.84

(g) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, financial liabilities and trade and other payables.

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

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

Cash and cash equivalents comprise cash balances and bank deposits. 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 for the purpose of the statement of cash flows.

Instruments at fair value through profit or loss

An instrument is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the income statement when incurred. Financial instruments classified as fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

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

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses (see note 2(g)(v)) and foreign exchange gains and losses on available-for-sale monetary items (see note 2(c)), are recognised directly in other comprehensive income and presented in the available-for-sale reserve in equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to the income statement.

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

Others

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

(ii) Derivative financial instruments and hedging activities

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

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

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in other comprehensive income is transferred to the income statement in the same period that the hedged item affects income statement.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the income statement. The hedged item is stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Hedge of net investment in a foreign operation

Foreign currency differences arising from the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the Company's income statement. On consolidation, such differences are recognised directly in other comprehensive income and presented in the foreign currency translation reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the income statement. When the hedged net investment is disposed off, the cumulative amount in other comprehensive income is transferred to the income statement as an adjustment to the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial instruments (cont'd)

(ii) Derivative financial instruments and hedging activities (cont'd)

Economic hedges

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the income statement as part of foreign currency gains and losses.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

(iii) Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not remeasured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) are allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the income statement.

(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. Subsequent to initial measurement, the financial guarantees are stated at the higher of (i) the amount determined in accordance with accounting policy 2(l) on provisions; 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 income statement.

Financial guarantees classified as insurance contracts

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

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

(v) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(g) Financial instruments *(cont'd)*

(v) Impairment of financial assets *(cont'd)*

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

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

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

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulated loss that has been recognised in other comprehensive income, and presented in the available-for-sale reserve in equity, to the income statement. The cumulative loss that is removed from other comprehensive income and recognised in the income statement is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in the income statement. Changes in impairment attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the income statement, then the impairment loss is reversed, with the amount of the reversal recognised in the income statement. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(h) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity.

Where share capital recognised as equity is repurchased ("treasury shares"), the amount of the consideration paid, including directly attributable costs, net of any tax effects, is presented as a deduction from equity. Where such shares are subsequently reissued, sold or cancelled, the consideration received is recognised as a change in equity. No gain or loss is recognised in the income statement.

(i) Development properties for sale

Development properties for sale are stated at the lower of cost plus, where appropriate, a portion of the attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

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

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

The recoverable amount of an asset or cash-generating unit 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 cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating units, or CGUs"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

(k) Employee benefits

Short term employee benefits

All short term employee benefits, including accumulated compensated absences, are recognised in the income statement in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the income statement as incurred.

Long service leave

Liabilities for other employee entitlements which are not expected to be paid or settled within twelve months of the balance sheet date are accrued in respect of all employees at the present value of the future amounts expected to be paid based on a projected weighted average increase in wage and salary rates. Expected future payments are discounted using interest rates on relevant government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(k) Employee benefits *(cont'd)*

Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense in the income statement 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 balance sheet 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 in the income statement with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at each balance sheet date and at the date of settlement, with any changes in fair value recognised in the income statement for the period.

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

(l) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(m) Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Leases (cont'd)

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in either investment properties (see note 2(f)) or property, plant and equipment (see note 2(d)).

(n) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised in the income statement on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Development properties for sale

The Group recognises income on property development projects when the risks and rewards of ownership have been transferred to the buyer. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or equitable interest, revenue is recognised as the acts are performed based on the percentage of completion method, which is an allowed alternative method under Recommended Accounting Practice 11 *Pre-completion Contracts for the Sale of Development Property* ("RAP 11") issued by the Institute of Certified Public Accountants of Singapore in October 2005. Under the percentage of completion method, profit is brought into the income statement only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project. Depending on the selling conditions associated with each development project, revenue is generally not recognised if the Group provides various guarantees and other financial support to the buyers ("continuing involvement") during the period of property development. Such continuing involvement by the Group would then require revenue to be deferred until the Group's continuing involvement ceases.

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

Financial advisory and management fee

Financial advisory and management fee is recognised in the income statement as and when services are rendered.

Dividends

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

Interest income

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

(o) Finance costs

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(p) Income tax expense

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

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

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

(q) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise issued convertible bonds and share plans granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Council of Chief Executive Officers ("CEOs") that makes strategic resources allocation decisions. The Council of CEOs comprises the President & CEO, key management officers of the corporate office and CEOs of the strategic business units.

NOTES TO THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

	Serviced residence properties \$'000	Leasehold land \$'000	Other leasehold buildings \$'000	Assets under construction \$'000	Plant, machinery and improvements \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Total \$'000
The Group								
Cost								
At 1 January 2009	1,361,778	841	23,511	160,942	70,531	3,037	249,315	1,869,955
Translation differences	27,413	–	(373)	9,081	(5,550)	194	16,952	47,717
Additions	51,528	–	341	126,304	8,677	128	18,007	204,985
Acquisition of subsidiaries	24,965	–	–	35,425	–	55	105	60,550
Disposal of subsidiaries	(40,104)	–	–	–	(137)	(247)	(10,311)	(50,799)
Disposals/Written off	(53,879)	–	(203)	(775)	(1,418)	(336)	(11,678)	(68,289)
Reclassification	130,737	–	–	(140,953)	233	–	9,983	–
At 31 December 2009	1,502,438	841	23,276	190,024	72,336	2,831	272,373	2,064,119
Accumulated depreciation and impairment loss								
At 1 January 2009	37,585	24	8,989	–	47,428	1,909	140,642	236,577
Translation differences	73	–	(93)	–	(2,542)	(40)	10,699	8,097
Depreciation for the year	10,241	17	2,024	–	8,657	403	40,124	61,466
Impairment loss	1,161	–	83	–	–	–	–	1,244
Disposal of subsidiaries	–	–	–	–	(22)	(175)	(4,277)	(4,474)
Disposals/Written off	1	–	(185)	–	(1,162)	(291)	(9,455)	(11,092)
At 31 December 2009	49,061	41	10,818	–	52,359	1,806	177,733	291,818
Carrying amount								
At 1 January 2009	1,324,193	817	14,522	160,942	23,103	1,128	108,673	1,633,378
At 31 December 2009	1,453,377	800	12,458	190,024	19,977	1,025	94,640	1,772,301

	Serviced residence properties \$'000	Freehold buildings \$'000	Leasehold land \$'000	Other leasehold buildings \$'000	Assets under construction \$'000	Plant, machinery and improvements \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Total \$'000
The Group									
Cost									
At 1 January 2008	1,151,105	4,385	841	14,242	325,475	73,727	3,095	231,781	1,804,651
Translation differences	(83,484)	–	–	197	12,950	(4,741)	490	(18,489)	(93,077)
Additions	169,575	–	–	1,879	125,340	5,315	571	42,803	345,483
Disposal of subsidiaries	(21,573)	–	–	–	(88,218)	(2,208)	(840)	(7,699)	(120,538)
Disposals/Written off	(52,350)	–	–	(388)	(856)	(1,065)	(279)	(11,626)	(66,564)
Reclassification	198,505	(4,385)	–	7,581	(213,749)	(497)	–	12,545	–
At 31 December 2008	1,361,778	–	841	23,511	160,942	70,531	3,037	249,315	1,869,955
Accumulated depreciation and impairment loss									
At 1 January 2008	31,058	139	7	6,347	–	46,088	2,932	129,462	216,033
Translation differences	(9,993)	–	–	28	–	(4,826)	(1,203)	(11,482)	(27,476)
Depreciation for the year	8,467	–	17	2,244	–	8,774	548	35,177	55,227
Impairment loss	8,053	–	–	292	–	–	–	–	8,345
Disposal of subsidiaries	–	–	–	–	–	(1,645)	(186)	(4,471)	(6,302)
Disposals/Written off	–	–	–	(61)	–	(861)	(182)	(8,146)	(9,250)
Reclassification	–	(139)	–	139	–	(102)	–	102	–
At 31 December 2008	37,585	–	24	8,989	–	47,428	1,909	140,642	236,577
Carrying amount									
At 1 January 2008	1,120,047	4,246	834	7,895	325,475	27,639	163	102,319	1,588,618
At 31 December 2008	1,324,193	–	817	14,522	160,942	23,103	1,128	108,673	1,633,378

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) As at 31 December 2009, certain property, plant and equipment with carrying value totalling approximately \$984.1 million (2008: \$868.8 million) were mortgaged to banks to secure credit facilities for the Group (note 20).
- (b) The value of property, plant and equipment of the Group held under finance leases at 31 December 2009 was \$59.7 million (2008: \$56.2 million).
- (c) During the year, the Group recognised an impairment loss of \$1.2 million relating to serviced residence properties in Hong Kong and Australia, as well as a leasehold building in Malaysia. The impairment loss was determined based on independent valuations done in December 2009, and was recognised in "Other Operating Expenses" in the income statement.
- (d) During the financial year, no interest was capitalised as cost of property, plant and equipment (2008: \$1.7 million).

The Company	Plant, machinery and improvements \$'000	Furniture, fittings and equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost				
At 1 January 2009	10,250	10,664	431	21,345
Additions	1,331	1,661	–	2,992
Disposals/Written off	(163)	(446)	–	(609)
At 31 December 2009	11,418	11,879	431	23,728
Accumulated depreciation				
At 1 January 2009	5,644	6,469	418	12,531
Depreciation for the year	2,645	1,646	13	4,304
Disposals/Written off	(128)	(270)	–	(398)
At 31 December 2009	8,161	7,845	431	16,437
Carrying amount				
At 1 January 2009	4,606	4,195	13	8,814
At 31 December 2009	3,257	4,034	–	7,291
Cost				
At 1 January 2008	8,840	8,454	431	17,725
Additions	1,442	3,376	–	4,818
Disposals/Written off	(32)	(1,166)	–	(1,198)
At 31 December 2008	10,250	10,664	431	21,345
Accumulated depreciation				
At 1 January 2008	3,470	4,985	364	8,819
Depreciation for the year	2,202	1,624	54	3,880
Disposals/Written off	(28)	(140)	–	(168)
At 31 December 2008	5,644	6,469	418	12,531
Carrying amount				
At 1 January 2008	5,370	3,469	67	8,906
At 31 December 2008	4,606	4,195	13	8,814

NOTES TO THE FINANCIAL STATEMENTS

4 INTANGIBLE ASSETS

The Group	Note	Goodwill \$'000	Others [^] \$'000	Total \$'000
Cost				
At 1 January 2009		585,125	22,865	607,990
Disposals/Written off		(16,195)	(746)	(16,941)
Translation differences		1,513	324	1,837
At 31 December 2009		570,443	22,443	592,886
Accumulated amortisation and impairment loss				
At 1 January 2009		9,942	9,112	19,054
Amortisation for the year		–	1,564	1,564
Impairment loss	29(c)(iii)	55,001	–	55,001
Disposals/Written off		–	(164)	(164)
Translation differences		–	158	158
At 31 December 2009		64,943	10,670	75,613
Carrying amount				
At 1 January 2009		575,183	13,753	588,936
At 31 December 2009		505,500	11,773	517,273
Cost				
At 1 January 2008		34,711	17,608	52,319
Additions		557,306	640	557,946
Reclassification from other category of assets		–	5,344	5,344
Disposals/Written off		(4,950)	(339)	(5,289)
Translation differences		(1,942)	(388)	(2,330)
At 31 December 2008		585,125	22,865	607,990
Accumulated amortisation and impairment loss				
At 1 January 2008		9,942	4,467	14,409
Amortisation for the year		–	2,003	2,003
Reclassification from other category of assets		–	3,655	3,655
Written off		–	(339)	(339)
Translation differences		–	(674)	(674)
At 31 December 2008		9,942	9,112	19,054
Carrying amount				
At 1 January 2008		24,769	13,141	37,910
At 31 December 2008		575,183	13,753	588,936

[^] Others comprised trademarks, franchises, patents and licences.

4 INTANGIBLE ASSETS (cont'd)

Impairment test for Goodwill

For impairment testing, the aggregate carrying amounts of goodwill allocated to each cash-generating unit ("CGU") as at 31 December are as follows:

	Terminal Growth Rates	Discount Rates	Carrying Value	
			2009 \$'000	2008 \$'000
The Ascott Limited ("Ascott")	1.2%	6.5%	481,161	552,356
Serviced residences in Europe	2.0% to 2.5%	8.2% to 11.3%	24,339	22,827
Balance as at 31 December			505,500	575,183

For the purposes of goodwill impairment testing, the recoverable amount of the CGUs are determined based on value-in-use calculation. The value-in-use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering three to 10 years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rate applied is the weighted average cost of capital from the relevant business segment. The key assumptions are those relating to expected changes in average room rates and occupancy and direct costs. The terminal growth rate for each CGU used does not exceed management's expectation of the long term average growth rate of the respective industry and country in which the CGU operates.

For the year ended 31 December 2009, an impairment charge of \$55.0 million was taken in respect of the Ascott CGU. This impairment charge is included under "Other Operating Expenses" in the income statement.

5 INVESTMENT PROPERTIES

	Note	The Group	
		2009 \$'000	2008 \$'000
At 1 January		4,254,839	6,208,211
Acquisition of subsidiaries		—	8,072
Disposal of subsidiaries		—	(1,460,043)
Additions		35,322	486,524
Transfer from Properties Under Development	6	154,612	466,617
Disposals		(219,358)	(1,243,098)
Changes in fair value		(305,363)	300,682
Translation differences		486,114	(512,126)
At 31 December		4,406,166	4,254,839

- (a) Investment properties and properties under development are stated at fair value based on internal valuations or independent professional valuation. 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.

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.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach and/or discounted cash flows in arriving at the open market value as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENT PROPERTIES (cont'd)

- (a) The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.
- (b) As at 31 December 2009, certain investment properties with carrying value of approximately \$3,565.7 million (2008: \$2,919.2 million) were mortgaged to banks to secure credit facilities for the Group (notes 20 and 21).
- (c) Investment properties of the Group are held mainly for use by tenants under operating leases. Generally, most leases contain an initial non-cancellable period of up to three to six (2008: three to six) years, with an option to renew at renegotiated terms. Contingent rents, representing income based on certain sale achieved by tenants, recognised in the income statement during the year amounted to \$4.6 million (2008: \$4.6 million).

6 PROPERTIES UNDER DEVELOPMENT

			The Group
	Note	2009 \$'000	2008 \$'000
At 1 January		593,945	569,205
Additions		575,754	1,077,848
Disposal of subsidiaries		(403,017)	(628,339)
Transfer to Investment Properties	5	(154,612)	(466,617)
Changes in fair value		79,431	–
Impairment losses written back		–	899
Translation differences		(39,160)	40,949
At 31 December		652,341	593,945

- (a) The accounting policy relating to properties under development was changed during the year arising from the adoption of amendments to FRS 40 *Investment Property* and the effects of this change are disclosed in note 2(f)(ii).
- (b) During the financial year, interest capitalised as cost of properties under development amounted to approximately \$6.6 million (2008: \$6.2 million).
- (c) Certain properties under development with carrying value totalling approximately \$179.2 million (2008: Nil) were mortgaged to banks to secure credit facilities for the Group (notes 20 and 21).
- (d) The methods and significant assumptions applied in determining the fair value of properties under development were disclosed in note 5(a).

7 INTERESTS IN SUBSIDIARIES

	The Company	
	2009 \$'000	2008 \$'000
(a) Unquoted shares, at cost	7,138,412	3,259,325
Less:		
Allowance for impairment loss	(163,132)	(47,764)
	6,975,280	3,211,561
Add:		
Amounts owing by subsidiaries:		
– Loan accounts (interest bearing)	3,674,750	2,730,000
– Loan accounts (interest free)	1,626,145	886,726
Less: Allowance for doubtful debts	(18,049)	–
	5,282,846	3,616,726
	12,258,126	6,828,287

(i) The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

(ii) Movements in allowance for impairment loss are as follows:

		The Company	
	Note	2009 \$'000	2008 \$'000
At 1 January		(47,764)	(47,764)
Allowance during the year	29(c)(iii)	(115,368)	–
At 31 December		(163,132)	(47,764)

During the year, allowance for impairment loss amounting to \$115.4 million was made in respect of the Company's investments in certain subsidiaries to reduce the carrying value of investments to the recoverable amounts, taking into account the general economic and operating environment in which the relevant subsidiaries operate in. The recoverable amount for the relevant subsidiaries was estimated based on the higher of the value in use calculation using cash flow projections based on financial budgets and forecasts covering three years period, or the fair value of the net assets as at balance sheet date.

(iii) The movement in allowance for doubtful debts relates to provision made during the year.

(b) Details of the subsidiaries are set out in note 38.

8 ASSOCIATES

	The Group	
	2009 \$'000	2008 \$'000
(a) Interests in associates		
Investment in associates	6,534,701	6,306,667
Less:		
Allowance for impairment loss	(44,473)	(3,490)
	6,490,228	6,303,177
Amounts owing by associates:		
Loan accounts		
– interest free	232,658	150,746
– interest bearing	289,288	323,890
	521,946	474,636
	7,012,174	6,777,813

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES (cont'd)

(a) Interests in associates (cont'd)

(i) Movements in allowance for impairment loss are as follows:

	Note	2009 \$'000	The Group 2008 \$'000
At 1 January		(3,490)	–
Allowance during the year	29(c)(iii)	(40,983)	(3,490)
At 31 December		(44,473)	(3,490)

During the year, allowance for impairment loss amounting to \$41.0 million was made in respect of the Group's investments in Malaysia and Gulf Cooperation Council countries ("GCC") to reduce the carrying value of investments to the recoverable amounts. The recoverable amount for the investment in Malaysia was estimated based on value in use calculation using cash flow projections based on financial budgets and forecasts covering five years period. The recoverable amount for the investment in GCC was estimated based on internal valuation using the residual value method.

- (ii) The loans to associates form part of the Group's net investment in associates. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.
- (iii) Loan accounts include an amount of approximately \$317.5 million (2008: \$322.0 million) which is subordinated to the repayment of borrowings of certain associates.
- (iv) The Group's share of the contingent liabilities of the associates is \$43.7 million (2008: \$44.3 million).
- (v) The Group's investments in associates include investments in listed associates with a carrying amount of \$3,780.0 million (2008: \$3,640.5 million), for which the published price quotations are \$3,578.9 million (2008: \$1,543.0 million).

	Note	2009 \$'000	The Group 2008 \$'000
(b) Amounts owing by/(to) associates:			
Current accounts (unsecured)			
– interest free (trade)		95,283	68,458
– interest free (non-trade)		246,775	279,800
– interest bearing (non-trade)		325,641	194,627
		667,699	542,885
Less:			
Allowance for doubtful receivables		(5,591)	(4,384)
	13	662,108	538,501
Current accounts (mainly non-trade and unsecured)			
– interest free		(227,870)	(289,316)
– interest bearing		(78,638)	(111,904)
	17	(306,508)	(401,220)

(c) Details of the associates are set out in note 39.

8 ASSOCIATES (cont'd)

(d) The financial information of the associates is as follows:

	The Group	
	2009 \$'000	2008 \$'000
Balance sheet		
Total assets	33,998,399	35,419,789
Total liabilities	14,871,218	16,460,710
Income statement		
Revenue	3,063,571	2,215,625
(Loss)/Profit after taxation	(870,392)	976,857

9 JOINTLY-CONTROLLED ENTITIES

	The Group	
	2009 \$'000	2008 \$'000
(a) Interests in jointly-controlled entities		
Investment in jointly-controlled entities	1,006,636	624,557
Less:		
Allowance for impairment loss	(22,417)	(8,050)
	984,219	616,507
Amounts owing by jointly-controlled entities:		
Loan accounts		
– interest free	190,743	49,102
– interest bearing	509,193	421,171
	699,936	470,273
	1,684,155	1,086,780
Less:		
Allowance for doubtful receivables	(12,099)	–
	1,672,056	1,086,780

(i) Movements in allowance for impairment loss are as follows:

		The Group	
	Note	2009 \$'000	2008 \$'000
At 1 January		(8,050)	(8,050)
Translation adjustments		(96)	–
Allowance during the year	29(c)(iii)	(14,271)	–
At 31 December		(22,417)	(8,050)

(ii) The loans to jointly-controlled entities form part of the Group's net investment in jointly-controlled entities. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

(iii) Loan accounts include an amount of approximately \$570.7 million (2008: \$399.3 million) which is subordinated to the repayment of borrowings of certain jointly-controlled entities.

NOTES TO THE FINANCIAL STATEMENTS

9 JOINTLY-CONTROLLED ENTITIES *(cont'd)*

	Note	2009 \$'000	The Group 2008 \$'000
(b) Amounts owing by/(to) jointly-controlled entities:			
Current accounts (unsecured)			
– interest free (trade)		16,771	22,623
– interest free (non-trade)		205,916	361,040
– interest bearing (non-trade)		694	42,231
		223,381	425,894
Less:			
Allowance for doubtful receivables		(9,044)	(8,811)
	13	214,337	417,083
Current accounts (unsecured)			
– interest free (mainly non-trade)		(20,135)	(11,477)
– interest bearing (non-trade)		(11)	(31,789)
	17	(20,146)	(43,266)

(c) Details of the jointly-controlled entities are set out in note 40.

(d) Movements in allowance for doubtful receivables are as follows:

	2009 \$'000	The Group 2008 \$'000
At 1 January	(8,811)	(19)
Allowance during the year	(21,156)	(8,796)
Allowance written back	8,796	–
Translation differences	28	4
At 31 December	(21,143)	(8,811)

(e) The Group's share of the jointly-controlled entities' assets and liabilities is as follows:

	2009 \$'000	The Group 2008 \$'000
Balance sheet		
Investment properties	1,476,148	166,967
Properties under development	80,022	908,902
Other non-current assets	112,789	129,191
	1,668,959	1,205,060
Current assets	1,965,616	2,305,543
Less:		
Current liabilities	(843,994)	(1,144,141)
Net current assets	1,121,622	1,161,402
	2,790,581	2,366,462
Less:		
Non-current liabilities	(1,671,203)	(1,711,700)
	1,119,378	654,762

9 JOINTLY-CONTROLLED ENTITIES *(cont'd)*

(e) The Group's share of the jointly-controlled entities' results is as follows:

	The Group	
	2009 \$'000	2008 \$'000
Income statement		
Revenue	871,783	688,688
Expenses	(730,407)	(596,304)
Fair value gains/(losses) on investment properties	378,589	(10,772)
Profit before taxation	519,965	81,612
Taxation	(52,809)	(24,793)
Profit after taxation	467,156	56,819

(f) The Group's share of the capital commitments of the jointly-controlled entities is \$183.5 million (2008: \$279.6 million).

(g) The Group's share of the contingent liabilities of the jointly-controlled entities is \$70.8 million (2008: \$7.1 million).

10 OTHER FINANCIAL ASSETS

		The Group	
	Note	2009 \$'000	2008 \$'000
(a) Non-current other financial assets			
Fair value through profit or loss convertible bonds	(i)	–	181,750
Available-for-sale equity securities	(ii)	193,156	324,301
		193,156	506,051

(i) During the year, the Group's investment in convertible bonds was exchanged for shares in Peace Base Investments Limited, which owns a mixed development site in Shenzhen, China. Following this, Peace Base Investments Limited became an indirect subsidiary of the Group.

(ii) During the year, an impairment loss of \$47.6 million was recognised in respect of an unquoted investment in Japan. The fair value of the financial asset is estimated using the capitalisation method based on information derived from market surveys and reports and a capitalisation rate of 4.3%.

(b) Current other financial assets

	The Group	
	2009 \$'000	2008 \$'000
Available-for-sale money market investment	195,000	195,000
Available-for-sale debt securities	–	58,885
	195,000	253,885

NOTES TO THE FINANCIAL STATEMENTS

11 OTHER NON-CURRENT ASSETS

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Loans and receivables	39,634	15,569	–	–
Club memberships	753	675	147	147
Derivative assets	569	2,955	–	–
	40,956	19,199	147	147

As at 31 December 2009, loans and receivables include:

- (a) accrued interest receivables of (i) \$16.8 million (2008: \$6.3 million) from an associate which bears interest at 3.80% per annum (2008: 3.39% per annum) and is due and payable on 13 January 2012; and (ii) \$5.4 million (2008: \$2.0 million) from a jointly-controlled entity which bears interest at 3.04% per annum (2008: 3.10% per annum) and is due and payable on 30 November 2011;
- (b) an amount of \$15.9 million was mortgaged to banks to secure credit facilities of the Group (notes 20 and 21).

12 DEVELOPMENT PROPERTIES FOR SALE

	The Group	
	2009 \$'000	2008 \$'000
(a) Properties in the course of development, at cost	3,854,973	3,524,603
Less:		
Allowance for foreseeable loss	(42,693)	(17,190)
	3,812,280	3,507,413
Add:		
Attributable profit	388,237	156,301
	4,200,517	3,663,714
Less:		
Progress billings	(799,414)	(645,741)
	3,401,103	3,017,973
(b) Completed units, at cost	189,141	329,195
	3,590,244	3,347,168

12 DEVELOPMENT PROPERTIES FOR SALE (cont'd)

(c) During the financial year, the following amounts were capitalised as cost of development properties for sale:

		The Group	
	Note	2009 \$'000	2008 \$'000
Staff costs	29(b)	33,377	59,950
Interest and securitisation costs paid/payable	29(d)	74,179	98,281
Less:			
Interest received/receivable from fixed deposit project accounts	29(a)	(134)	(879)
		107,422	157,352

(d) As at 31 December 2009, certain development properties for sale amounting to approximately \$1,158.3 million (2008: \$1,274.6 million) were mortgaged to banks to secure credit facilities of the Group (notes 20 and 21).

(e) As at 31 December 2009, certain properties amounting to approximately \$93.9 million (2008: \$73.2 million), were acquired through unconditional exchange contracts with various land vendors. The related amount owing to land vendors is secured over the title of the properties being purchased (notes 17 and 18).

(f) As at 31 December 2008, there was a development property for sale amounting to \$246.0 million whose future receivables were sold to third parties. As part of the arrangement of the sale, the relevant subsidiary of the Group had provided a fixed and floating charge over assets relating to the project (including the land on which the project is being built and the unsold units) to the third parties. The related notes have been redeemed in full in 2009 and the related charge over the assets has been discharged.

(g) If the Group had adopted the completion of construction method, the effects on the financial statements for the financial year ended 31 December 2009 would have been as follows:

	The Group Increased/(Decreased) by	
	2009 \$'000	2008 \$'000
Balance Sheet:		
Development properties for sale as at 1 January	(72,754)	239,979
Development properties for sale as at 31 December	(240,052)	(72,754)
Interests in associates	(23,942)	12,035
Interests in jointly-controlled entities	907	(94,049)
Accumulated profits as at 1 January	(196,906)	(223,566)
Income Statement:		
Revenue	(166,619)	472,212
Profit attributable to the equity holders of the Company	(31,219)	26,660

NOTES TO THE FINANCIAL STATEMENTS

13 TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Accrued receivables	(b)	57,413	52,410	–	–
Trade receivables	14	143,626	251,516	31	7
Deposits and other receivables	15	140,557	243,226	526	295
Amounts owing by:					
– associates	8(b)	662,108	538,501	–	–
– jointly-controlled entities	9(b)	214,337	417,083	–	–
– investees:					
– interest free		38	34,078	–	–
– interest bearing		2,003	2,268	–	–
– related corporations	19	–	–	87,033	1,423,049
– minority interests (unsecured and interest free)		35,279	62,449	–	–
Loans and receivables		1,255,361	1,601,531	87,590	1,423,351
Prepayments		46,555	108,078	257	344
Derivative assets		1,437	5,490	–	–
		1,303,353	1,715,099	87,847	1,423,695

(a) As at 31 December 2009, certain trade and other receivables amounting to approximately \$224.3 million (2008: \$357.3 million) were mortgaged to banks to secure credit facilities of the Group (notes 20 and 21).

(b) In accordance with the Group's accounting policy, income is recognised based on the progress of construction work for development properties for sale. Upon receipt of Temporary Occupation Permit, the balance of sales consideration to be billed is included as accrued receivables.

14 TRADE RECEIVABLES

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade receivables		154,281	261,155	31	7
Less:					
Allowance for doubtful receivables		(10,655)	(9,639)	–	–
	13	143,626	251,516	31	7

(a) The maximum exposure to credit risk for trade receivables at the reporting date (by Strategic Business Units) is:

	The Group	
	2009 \$'000	2008 \$'000
CapitaLand Residential Singapore	11,607	9,102
CapitaLand China Holdings	437	2,154
CapitaLand Commercial	15,931	38,916
CapitaMalls Asia	24,910	15,084
CapitaLand Financial	7,948	28,285
The Ascott Limited	30,177	39,359
Australand	48,950	114,420
Others	3,666	4,196
	143,626	251,516

14 TRADE RECEIVABLES (cont'd)

(b) The ageing of trade receivables at the reporting date is:

The Group	Gross Amount 2009 \$'000	Allowances for doubtful receivables 2009 \$'000	Gross Amount 2008 \$'000	Allowances for doubtful receivables 2008 \$'000
Not past due	96,453	–	170,853	–
Past due 1 – 30 days	26,659	–	9,292	(55)
Past due 31 – 90 days	8,310	(4,717)	23,971	(3,207)
More than 90 days	22,859	(5,938)	57,039	(6,377)
	154,281	(10,655)	261,155	(9,639)

(c) The movements in allowances for doubtful receivables in respect of trade receivables during the year are as follows:

	The Group	
	2009 \$'000	2008 \$'000
At 1 January	(9,639)	(8,161)
Provision utilised	518	676
Provision during the year	(1,906)	(2,086)
Acquisition/disposal of subsidiaries (net)	–	6
Translation differences	372	(74)
At 31 December	(10,655)	(9,639)

Based on historical default rates, the Group believes that no allowance for doubtful receivables is necessary in respect of the receivables not past due or past due by up to 30 days.

15 DEPOSITS AND OTHER RECEIVABLES

		The Group		The Company	
Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	
Deposits	29,337	29,635	61	150	
Other receivables	116,473	215,536	465	145	
Less:					
Allowance for doubtful receivables	(20,265)	(19,076)	—	—	
	96,208	196,460	465	145	
Tax recoverable	15,012	17,131	—	—	
13	140,557	243,226	526	295	

Other receivables include staff loans, interest receivables, deferred sales consideration and other recoverable. As at 31 December 2008, other receivables included an amount of \$33.3 million due from a third party which bore interest ranging from 6% to 11% per annum and was unsecured. The amount has been fully repaid in 2009.

NOTES TO THE FINANCIAL STATEMENTS

16 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Fixed deposits	7,656,852	3,452,899	2,355,955	756,994
Cash at banks and in hand	975,722	701,482	511	807
Amounts held under "Project Account Rules – 1997 Ed"	97,144	74,024	–	–
	8,729,718	4,228,405	2,356,466	757,801

- (a) The withdrawal from amounts held under "Project Account Rules – 1997 Ed" are restricted to payments for expenditure incurred on development projects.
- (b) The charge over all monies from time to time standing to the credit of the project accounts amounting to \$25.3 million as at 31 December 2008 in respect of certain development properties for sale whose future receivables were sold, has been discharged during the year.
- (c) The Group's cash and cash equivalents are held mainly in Singapore Dollars, US Dollars, Australian Dollars, Euros, Chinese Renminbi, Hong Kong Dollars, Malaysian Ringgit and Vietnamese Dong. As at 31 December 2009, the effective interest rates for cash and cash equivalents ranged from 0% to 10.40% (2008: 0% to 7.27%).

17 TRADE AND OTHER PAYABLES

		The Group		The Company	
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade payables		121,756	111,444	1,093	1,123
Accruals	(a)	530,968	589,292	34,965	28,222
Accrued development expenditure		209,535	327,053	–	–
Accrued capital expenditure	(b)	78,565	24,333	–	–
Other payables	(c)	366,884	339,133	22,623	2,909
Rental and other deposits		33,519	33,957	3	2
Derivative liabilities		40,539	37,231	–	–
Provisions	18(b)	8,995	35,654	–	–
Liability for employee benefits	24	46,272	56,006	32,677	38,296
Amounts owing to:					
– associates	8(b)	306,508	401,220	–	–
– jointly-controlled entities	9(b)	20,146	43,266	–	–
– related corporations	19	–	–	1,151,228	63,394
Minority interests (unsecured):					
– interest free		116,127	67,966	–	–
– interest bearing		203	63,488	–	–
Proceeds from sale of future receivables	(d)	–	227,118	–	–
		1,880,017	2,357,161	1,242,589	133,946

- (a) Accruals included accrued interest payable, accrued expenditure for property, plant and equipment purchases and accrued administrative expenses.
- (b) Accrued capital expenditure relates to amounts owing by a subsidiary of the Group to land vendors under certain unconditional contracts entered into to purchase properties for future developments. The total acquisition cost of the properties has been included in development properties for sale and the amount payable is secured over the relevant development properties.

17 TRADE AND OTHER PAYABLES (cont'd)

(c) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.

(d) These relate to the sale of future receivables in respect of a residential project in Singapore.

18 OTHER NON-CURRENT LIABILITIES

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Amounts owing to					
minority interests (unsecured): (a)					
– interest free		20,927	1,415	–	–
– interest bearing		157,919	16,400	–	–
Liability for employee benefits	24	54,689	71,838	44,597	63,869
Derivative liabilities		23,491	145,398	–	–
Provisions	(b)	154,696	–	–	–
Customer deposits and other non-current payables	(c)	50,300	82,488	–	–
		462,022	317,539	44,597	63,869

(a) The amounts owing to minority interests are not expected to be repaid in the next 12 months.

(b) During the year, provisions totalling \$145.9 million (2008: \$35.7 million) were made for the Group's exposure to the unavoidable costs of meeting its obligation under contractual agreements. Movements in the provisions are as follows:

	Note	The Group	
		2009 \$'000	2008 \$'000
At 1 January		35,654	–
Provision during the year	29(c)(iii)	145,924	35,654
Provision utilised		(17,887)	–
At 31 December		163,691	35,654
Current	17	8,995	35,654
Non-current		154,696	–
		163,691	35,654

(c) The other non-current payables include an amount of approximately \$15.3 million (2008: \$48.9 million), owing to land vendors on terms similar to those described in note 17(b).

NOTES TO THE FINANCIAL STATEMENTS

19 AMOUNTS OWING BY/(TO) RELATED CORPORATIONS

	Note	The Company	
		2009 \$'000	2008 \$'000
Current			
Amounts owing by subsidiaries:			
– current accounts, mainly non-trade and interest bearing		35,115	30,891
– current loan:			
– interest free		152,374	676,154
– interest bearing		–	743,803
		152,374	1,419,957
Less: Allowance for doubtful receivables		(100,456)	(27,799)
		51,918	1,392,158
	13	87,033	1,423,049
Amounts owing (to) subsidiaries:			
– current accounts, mainly non-trade and interest bearing		(1,137)	(16)
– current loan (interest free)		(62,428)	–
– current loan (interest bearing)		(1,087,663)	(63,378)
	17	(1,151,228)	(63,394)

(a) All balances with related corporations are unsecured and repayable on demand.

(b) The movement in allowance for doubtful receivables relates mainly to provision made during the year.

20 BANK BORROWINGS

		The Group	
		2009 \$'000	2008 \$'000
Bank borrowings			
– secured		2,325,741	1,331,508
– unsecured		2,619,003	3,313,984
		4,944,744	4,645,492
Repayable:			
Not later than 1 year		992,974	1,005,902
Between 1 and 2 years		1,762,539	1,652,181
Between 2 and 5 years		2,061,723	1,887,115
After 5 years		127,508	100,294
After 1 year		3,951,770	3,639,590
		4,944,744	4,645,492

(a) As at 31 December 2009, the effective interest rates for bank borrowings ranged from 0.42% to 15.04% (2008: 1.04% to 9.64%) per annum.

(b) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

- (i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties, properties under development, development properties for sale and trade receivables; and
- (ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

21 DEBT SECURITIES

Debt securities comprise fixed rate notes, floating rate notes, hybrid rate notes and bonds issued by the Group and the Company.

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Convertible bonds (unsecured)	3,294,681	2,513,056	3,305,801	2,518,579
Notes issued	2,035,548	2,663,064	–	–
Less:				
Notes purchased (but not cancelled)	–	(31,750)	–	–
Notes outstanding	2,035,548	2,631,314	–	–
	5,330,229	5,144,370	3,305,801	2,518,579
Secured notes	397,120	1,042,251	–	–
Unsecured notes and bonds	4,933,109	4,102,119	3,305,801	2,518,579
	5,330,229	5,144,370	3,305,801	2,518,579
Repayable:				
Not later than 1 year	400,776	865,113	–	–
Between 1 and 2 years	906,120	402,139	–	–
Between 2 and 5 years	429,835	985,571	–	–
After 5 years	3,593,498	2,891,547	3,305,801	2,518,579
After 1 year	4,929,453	4,279,257	3,305,801	2,518,579
	5,330,229	5,144,370	3,305,801	2,518,579

(a) As at 31 December 2009, the effective interest rates for debt securities ranged from 1.31% to 4.78% (2008: 2.03% to 8.87%) per annum.

(b) The repayment schedule for convertible bonds was based on its final maturity dates.

(c) The Company has the following convertible bonds which remained outstanding as at 31 December 2009:

- (i) In November 2006, the Company issued \$430.0 million principal amount of Convertible Bonds (the "2006 Bonds") due 2016 which carry interest rate at 2.10% per annum. The 2006 Bonds are convertible by holders into new ordinary shares in the capital of the Company at the conversion price of \$6.01* at any time on or after 26 December 2006 and prior to the close of business on 5 November 2016. The 2006 Bonds may be redeemed, in whole or in part, at the option of the Company at any time on or after 15 November 2011 and not less than seven business days prior to 15 November 2016 (subject to the satisfaction of certain conditions). Unless previously redeemed by the holder on 15 November 2013 or by the Company at any time on or after 15 November 2013, the final redemption date of the 2006 Bonds is 15 November 2016. The redemption price upon maturity is equal to the principal amount of the 2006 Bonds being redeemed.

During the year, the Company repurchased and cancelled \$5.3 million principal amount of the 2006 Bonds for an aggregate consideration of \$4.9 million in cash. As at 31 December 2009, the aggregate principal amount of the 2006 Bonds which remain outstanding is \$424.7 million.

NOTES TO THE FINANCIAL STATEMENTS

21 DEBT SECURITIES *(cont'd)*

- (ii) In June 2007, the Company issued \$1.0 billion principal amount of Convertible Bonds (the "2007 Bonds") due 2022 which carry interest rate at 2.95% per annum. The 2007 Bonds are convertible by holders into new ordinary shares in the capital of the Company at the conversion price of \$11.5218* at any time on or after 20 June 2008 and prior to the close of business on 10 June 2022. The 2007 Bonds may be redeemed, in whole or in part, at the option of the Company at any time on or after 20 June 2014 and not less than seven business days prior to 20 June 2022 (subject to satisfaction of certain conditions). Unless previously redeemed by the holder on 20 June 2017 or 20 June 2019 or by the Company at any time on or after 20 June 2014, the final redemption date of the 2007 Bonds is 20 June 2022. The redemption price upon maturity is equal to the principal amount of the 2007 Bonds being redeemed.
- (iii) In March 2008, the Company issued \$1.3 billion principal amount of Convertible Bonds (the "2008 Bonds") due 2018 which carry interest rate at 3.125% per annum. The 2008 Bonds are convertible by holders into new ordinary shares in the capital of the Company at the conversion price of \$7.1468* at any time on or after 15 April 2008 and prior to the close of business on 23 February 2018. The 2008 Bonds may be redeemed, in whole or in part, at the option of the Company at any time on or after 5 March 2013 and not less than seven business days prior to 5 March 2018 (subject to satisfaction of certain conditions). Unless previously redeemed by the holder on 5 March 2015 or by the Company at any time on or after 5 March 2013, the final redemption date of the 2008 Bonds is 5 March 2018. The redemption price upon maturity is equal to 109.998% of the principal amount of the 2008 Bonds being redeemed.

During the year, the Company repurchased and cancelled \$250.0 million principal amount of the 2008 Bonds for an aggregate consideration of \$238.9 million in cash. As at 31 December 2009, the aggregate principal amount of the 2008 Bonds which remain outstanding is \$1.05 billion.

- (iv) In September 2009, the Company issued \$1.2 billion principal amount of Convertible Bonds (the "2009 Bonds") due 2016 which carry interest rate at 2.875% per annum. The 2009 Bonds are convertible by holders into new ordinary shares in the capital of the Company at the conversion price of \$4.79 at any time on or after 14 October 2009 and prior to the close of business on 24 August 2016. The 2009 Bonds may be redeemed, in whole or in part, at the option of the Company at any time on or after 3 September 2014 and not less than seven business days prior to 3 September 2016 (subject to satisfaction of certain conditions). Unless previously redeemed by the Company at any time on or after 3 September 2014, the final redemption date of the 2009 Bonds is 3 September 2016. The redemption price upon maturity is equal to the principal amount of the 2009 Bonds being redeemed.

* The conversion prices have been adjusted as a result of the *CapitaLand Rights Issue*.

(d) Secured debt securities

- (i) A stapled entity of the Group, Australand, issued Commercial Mortgage-backed Securities amounting to A\$267.5 million (2008: A\$680.5 million), equivalent to \$336.3 million (2008: \$677.2 million), maturing on 10 March 2011.
- (ii) As at 31 December 2008, Australand had Unrated Floating Rate Notes amounting to A\$261.8 million equivalent to \$260.5 million maturing on 25 June 2009, 20 October 2010 and 10 March 2011. The notes were fully redeemed in 2009.
- (iii) These notes are fully secured by a first ranking real property mortgage over specific investment properties and by a fixed and floating charge over some of the assets of Australand. Details on assets pledged are disclosed in the respective notes to the financial statements.

21 DEBT SECURITIES (cont'd)

(e) Unsecured debt securities

An indirect subsidiary, The Ascott Capital Pte Ltd ("Ascott Capital") established a \$1.0 billion multicurrency medium term note programme ("MTN Programme") in 2008. Under the MTN Programme, Ascott Capital may from time to time issue notes in tranches of one or more series in Singapore Dollars, US Dollars or any other currency and in such denominations as may be agreed between the relevant dealer of the MTN Programme and Ascott. Each series or tranche of notes may bear fixed, floating or variable rates of interest.

As at 31 December 2009, Ascott Capital has outstanding notes amounting to \$760.0 million (2008: \$610.0 million). During the year, \$250.0 million (2008: \$300.0 million) was issued while \$100.0 million (2008: Nil) of the notes was repaid. The outstanding notes comprise Fixed Rate Notes of \$695.0 million (2008: \$545.0 million) and Floating Rates Notes of \$65.0 million (2008: \$65.0 million) and are due from 2010 to 2014. The interest rates of these notes ranged from 1.16% to 5.15% per annum (2008: 2.03% to 4.70%).

22 FINANCE LEASES

The Group had obligations under finance leases that are repayable as follows:

	Principal \$'000	Interest \$'000	Lease Payments \$'000
2009			
Repayable:			
Not later than 1 year	3,836	738	4,574
Between 1 and 5 years	17,199	2,085	19,284
After 5 years	16,546	681	17,227
After 1 year	33,745	2,766	36,511
	37,581	3,504	41,085
2008			
Repayable:			
Not later than 1 year	4,212	2,350	6,562
Between 1 and 5 years	15,476	6,873	22,349
After 5 years	19,784	2,994	22,778
After 1 year	35,260	9,867	45,127
	39,472	12,217	51,689

23 DEFERRED INCOME

Deferred income as at 31 December 2009 represents a government grant received to fund the costs of an infrastructure in Singapore.

Deferred income as at 31 December 2008 represents mainly unrealised profits on project management services. The income was fully realised in 2009.

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEE BENEFITS

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Liability for short term accumulating compensated absences		3,120	2,432	212	204
Liability for long service leave entitlement		4,430	3,028	–	–
Liability for cash-settled share-based payments		11,403	14,667	845	460
Liability for staff incentive		82,008	107,717	76,217	101,501
		100,961	127,844	77,274	102,165
Current	17	46,272	56,006	32,677	38,296
Non-current	18	54,689	71,838	44,597	63,869
		100,961	127,844	77,274	102,165

(a) Long service leave

This liability relates principally to provision made by a foreign subsidiary in relation to employees' leave entitlement granted after certain qualifying periods based on duration of employees' services rendered.

(b) Staff incentive

This relates to staff incentive which is related to the achievement of the Group's financial performance and payable over a period of time.

(c) Equity compensation benefits

Share Plans of the Company

The Share Option Plan, the Performance Share Plan and the Restricted Stock Plan (collectively referred to as the "Share Plans") of the Company were approved and adopted by its members at an Extraordinary General Meeting held on 16 November 2000. The Share Plans are administered by the Company's Executive Resource and Compensation Committee ("ERCC") comprising Mr Lim Chin Beng and Mr Peter Seah Lim Huat.

Share Option Plan

The Company 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 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 to four years from the grant date.

24 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

Share Option Plan (cont'd)

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

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

	Weighted average exercise price 2009 \$	No. of options 2009 ('000)	Weighted average exercise price 2008 \$	No. of options 2008 ('000)
At 1 January	3.05	20,044	2.83	31,127
Additional	3.00	3,674	—	—
Forfeited/Expired	3.60	(826)	3.57	(1,093)
Exercised	1.95	(4,185)	2.30	(9,990)
At 31 December	2.78	18,707	3.05	20,044
Exercisable on 31 December	2.59	13,763	2.61	8,261

Options exercised in 2009 resulted in 4,185,255 (2008: 9,990,336) shares being issued at a weighted average market price of \$3.54 (2008: \$6.25) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was \$3.14 (2008: \$4.66).

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

Range of Exercise Price Pre Modification	Range of Exercise Price Post Modification	Options outstanding 2009 ('000)	Weighted average contractual life (years)	Options outstanding 2008 ('000)	Weighted average contractual life (years)
\$0.82 to \$0.96	\$0.35 to \$0.49	290	3.18	372	4.18
\$0.97 to \$1.02	\$0.50 to \$0.55	951	3.88	1,683	4.97
\$1.03 to \$1.61	\$0.56 to \$1.14	103	3.45	150	4.84
\$1.62 to \$1.95	\$1.15 to \$1.48	230	1.43	268	2.26
\$1.96 to \$2.69	\$1.49 to \$2.22	3,886	5.03	5,389	5.96
\$2.70 to \$4.67	\$2.23 to \$4.20	13,247	5.87	12,182	6.87
		18,707		20,044	

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

The share price is based on volume-weighted average share price for three consecutive trading days prior to the grant date. The expected volatility is based on the historic volatility and calculated based on 36 months prior to the date of grant. The Company uses 10 (or five) years risk-free rate for options with a 10 (or five) years contractual term. Expected dividend yield is based on expected dividend payout over the one-year volume-weighted average share price prior to the grant date. Pre-vesting forfeiture rates and post-vesting forfeiture rates are based on historical option forfeiture and employee turnover rates. Exercise multiple is estimated based on historical employee exercise behaviour.

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

The Modification Exercise in the Share Option Plan

On 20 March 2009, the Company completed its one-for-two rights issue at an issue price of \$1.30 per new rights share (CapitaLand Rights Issue). In accordance with the Company's Share Option Plan, in the event of a rights issue, the ERCC may as it deems appropriate determine whether the number of shares which are the subject of an award to the extent not yet vested shall be adjusted. Any adjustment under this rule should be made in a way that an option holder will not receive a benefit that a shareholder does not receive and has been confirmed in writing by the auditors to be in their opinion, fair and reasonable.

Adjustments to the terms of the unexercised options were made (based on the ex-rights date of 19 February 2009, and hereby also known as "modification date") in manner such that the option holder will maintain parity of fair value before and on the modification date using the Equivalent Economic Value concept. The fair value of options was calculated using the Enhanced Trinomial (Hull and White) valuation model.

Exercise prices of the unexercised options were adjusted lower by \$0.47 per option (i.e., theoretical rights price) and an additional 3,674,112 options were granted to reflect the rights issue. No adjustments were made to the vesting and exercise periods of the options.

No incremental fair value of options was recognised as a result of the modification exercise and the significant inputs into the Enhanced Trinomial (Hull and White) valuation model were:

- Share price of \$2.72, based on volume-weighted average share price for three consecutive trading days prior to the modification date;
- Theoretical share price of \$2.25 on the modification date;
- The volatility measured at the standard deviation of expected share price returns of 42.32%, based on 36 months closing share price prior to the modification date;
- Risk-free interest rate ranging from 0.39% to 1.64% per annum that matches the remaining life of the award. This is based on the zero-coupon Singapore Government bond yield on modification date for awards matching tenure contractual life; and
- Dividend yield of 1.95% based on expected dividend over one-year volume-weighted average share price prior to the modification date.

Performance Share Plan

This relates to compensation costs of the Company's Performance Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

The number of shares outstanding under the Performance Share Plan at the end of the year is summarised below:

	2009 ('000)	2008 ('000)
At 1 January	8,425	8,809
Granted	5,243	6,268
Forfeited/Cancelled	(1,432)	(1,108)
Additional shares granted arising from modification	1,840	–
Released	(4,612)	(5,544)
At 31 December	9,464	8,425

24 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

Performance Share Plan (cont'd)

The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.

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

Year of Award	2009	2008
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$1.56	\$7.18
Expected volatility based on 36 months closing share price prior to grant date	41.25%	29.22%
MSCI AC Asia Pacific Free ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	26.97%	16.15%
Share price at grant date	\$2.03	\$6.97
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	0.99%	1.23%
Expected dividend yield over 12 months volume-weighted share price prior to the grant date	1.77%	1.42%
Correlation of return between MSCI AC Asia Pacific Free ex-Japan Real Estate Index and the Company's share price measured over 36 months prior to the grant date	55.79%	47.88%

The Modification Exercise in the Performance Share Plan

In accordance with the rules of the Performance Share Plan, adjustments were made to the unvested shares arising from the CapitaLand Rights Issue.

Adjustments to the terms of the unvested shares were made (based on the ex-rights date of 19 February 2009, and hereby also known as "modification date") in manner such that the Performance Share Plan participants will maintain parity of fair value before and on the modification date using the Equivalent Economic Value concept. The fair value of the shares was calculated using the Monte Carlo simulation model.

The adjustments resulted in additional contingent awards of 1,840,208 shares during the financial year ended 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

The Modification Exercise in the Performance Share Plan (cont'd)

No incremental fair value of shares was recognised as a result of the modification exercise and the significant inputs into the Monte Carlo simulation model were:

- Share price of \$2.72, based on volume-weighted average share price for three consecutive trading days prior to the modification date;
- Theoretical share price of \$2.25 on the modification date;
- The volatility measured at the standard deviation of expected share price returns of 42.32%, based on 36 months closing share price prior to the modification date;
- Risk-free interest rate ranging from 0.29% to 0.80% per annum that matches the remaining life of the award. This is based on the zero-coupon Singapore Government bond yield on modification date for awards matching tenure contractual life; and
- Dividend yield of 1.95% based on expected dividend over one-year volume-weighted average share price prior to the modification date.

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 over the service period to which the performance criteria relate. The Company granted awards of shares under the Restricted Stock Plan in place of options with effect from 2007.

With effect from 2008, the ERCC of the Company has instituted a set of share ownership guidelines for senior management who receive shares under the Restricted Stock Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaLand shares acquired through the Restricted Stock Plan which will vary according to their job grades and base salaries.

The number of shares outstanding under the Restricted Stock Plan at the end of the year is summarised below:

	2009 (‘000)	2008 (‘000)
At 1 January	9,883	4,552
Granted	7,951	8,529
Forfeited/Cancelled	(1,624)	(889)
Additional shares granted arising from modification	1,736	–
Released*	(4,325)	(2,309)
At 31 December	13,621	9,883

* The number of shares released during the year was 4,324,511 (2008: 2,309,409), of which 579,928 (2008: 307,326) were cash-settled.

24 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

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

As at 31 December 2009, the number of shares comprised in contingent awards granted under the CapitaLand Restricted Stock Plan is as follows:

	2009		2008	
	Equity-settled ('000)	Cash-settled ('000)	Equity-settled ('000)	Cash-settled ('000)
Final number of shares has not been determined (baseline award)*	6,965	1,265	5,090	802
Final number of shares determined but not released	4,616	775	3,435	556
	11,581	2,040	8,525	1,358

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

The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

Cash-settled contingent awards of shares are measured at their current fair values at each balance sheet date.

The fair values of the equity-settled contingent 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	2009	2008
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$1.96	\$6.78
Expected volatility based on 36 months closing share price prior to grant date	41.25%	29.22%
Share price at grant date	\$2.03	\$6.97
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	0.47% to 0.99%	0.83% to 1.23%
Expected dividend yield over 12 months volume-weighted share price prior to the grant date	1.77%	1.42%

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

The Modification Exercise in the Restricted Stock Plan

In accordance with the rules of the Restricted Stock Plan, adjustments were made to the unvested shares arising from the CapitaLand Rights Issue.

Adjustments to the terms of the unvested shares were made (based on the ex-rights date of 19 February 2009, and hereby also known as "modification date") in manner such that the Restricted Stock Plan participants will maintain parity of fair value before and on the modification date using the Equivalent Economic Value concept. The fair value of the shares was calculated using the Monte Carlo simulation model.

The number of shares was adjusted to reflect the rights issue. The adjustments resulted in additional awards of 1,735,695 shares (of which 240,534 are to be cash-settled) during the financial year ended 31 December 2009.

No incremental fair value of options was recognised as a result of the modification exercise and the significant inputs into the Monte Carlo simulation model were:

- Share price of \$2.72, based on volume-weighted average share price for three consecutive trading days prior to the modification date;
- Theoretical share price of \$2.25 on the modification date;
- The volatility measured at the standard deviation of expected share price returns of 42.32%, based on 36 months closing share price prior to the modification date;
- Risk-free interest rate ranging from 0.29% to 0.80% per annum that matches the remaining life of the award. This is based on the zero-coupon Singapore Government bond yield on modification date for awards matching tenure contractual life; and
- Dividend yield of 1.95% based on expected dividend over one-year volume-weighted average share price prior to the modification date.

Share Plans of Subsidiary

Australand

Australand Employee Securities Ownership Plan

Australand, a listed subsidiary of the Group, has an Australand Employees Securities Ownership Plan ("Australand ESOP") which offers a five-year, interest-free loan to enable employees to purchase a specified number of Australand stapled securities allocated by Australand's Remuneration Committee. The loan has limited recourse and the employees' obligations to repay the loan are limited to the market value of the securities at any time. The loan will be partly repaid by distributions on the securities held and must be fully repaid on cessation of employment with Australand or by the fifth anniversary of the origination date of the loan, whichever is earlier. The last offer under Australand ESOP was made on 30 June 2006 and hence Australand ESOP will cease to exist on 30 June 2011.

In addition to the above Australand ESOP, options over unissued Australand stapled securities have previously been issued to employees under the terms of the Australand Share Option Scheme. No options have been issued under this scheme since March 2002. No future options will be issued under this scheme.

24 EMPLOYEE BENEFITS (cont'd)

(c) Equity compensation benefits (cont'd)

Australand Performance Rights Plan

The establishment of the Australand Performance Rights Plan was approved by Australand's shareholders at the 2007 Annual General Meeting ("AGM").

The number of shares outstanding under the Australand Performance Rights Plan as at the end of the year is summarised below:

	2009 ('000)	2008 ('000)
At 1 January	6,374	3,912
Granted	14,710	2,948
Exercised	–	(88)
Forfeited/Cancelled	(7,459)	(398)
At 31 December	13,625	6,374

The fair value is independently determined at grant date using the Monte Carlo simulation technique. This technique involves stock prices being randomly simulated under risk neutral conditions and parameters in order to calculate the value of the performance rights at expiry. The simulation is repeated numerous times to produce distribution payoff amounts. The performance rights value is taken as the average of the payoff amounts calculated and discounted back to the valuation date. The fair value and assumptions are set out below:

Year of Award	2009	2008
<i>Fair value of performance rights and assumptions:</i>		
Fair value at measurement date	A\$0.29	A\$0.11
Share price at grant date	A\$0.45	A\$0.28
Expected price volatility of the company's stapled securities	50%	45%
Expected dividend yield	12.5%	8.5%
Risk-free discount rate	4.2%	4.5%
Expected franking rate	0%	50%
Imputation credits' valuation factor	65%	65%

Australand Tax Exempt Employee Security Plan

The Australand Tax Exempt Employee Security Plan in which tax exempt stapled securities may be issued by the company to employees for no cash consideration was approved by Australand shareholders at the 2007 AGM. All Australian resident permanent (full-time and part-time) employees (excluding directors and participants in the Australand Performance Rights Plan) who have been continuously employed by Australand for a period of at least nine months as at the invitation date and are still employees as at the acquisition date are eligible to participate in the plan. Employees may elect not to participate in the plan.

The plan provides up to A\$1,000 of Australand stapled securities (tax-free) to eligible employees annually in the third quarter of each calendar year for no cash consideration.

A three-year restriction period on selling, transferring or otherwise dealing with the securities applies, unless the employee leaves Australand. Under the plan, employees will receive the same benefits as all other security holders.

The number of securities issued to participants in the plan is the offer amount divided by the weighted average price at which Australand's stapled securities is traded on the Australian Stock Exchange during the week up to and including the acquisition date (rounded down to the nearest whole number of stapled securities).

Australand did not issue any securities under the Australand Tax Exempt Employee Security Plan in 2009 (2008: 1,241,673).

NOTES TO THE FINANCIAL STATEMENTS

25 SHARE CAPITAL

Issued and fully paid	The Company	
	2009 No. of shares (‘000)	2008 No. of shares (‘000)
At 1 January	2,823,506	2,805,969
Issue of shares pursuant to the:		
– Rights issue	1,411,945	–
– Exercise of options	4,185	9,990
– Performance Share and Restricted Stock Plans	8,357	7,547
At 31 December	4,247,993	2,823,506

- (a) 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.
- (b) On 9 February 2009, the Company announced a fully underwritten rights issue at the issue price of \$1.30 per rights share on the basis of one rights share for every two existing ordinary shares. On 20 March 2009, the Company allocated and issued 1,411,944,806 rights shares for valid acceptances received and credited the share capital with \$1,789,901,060.
- (c) At the end of the financial year, there were 18,707,026 (2008: 20,043,514) options under the Share Option Plan, a maximum of 18,927,310 (2008: 16,849,676) shares under the Performance Share Plan and 15,063,405 (2008: 11,070,581) shares under the Restricted Stock Plan, details of which are disclosed in note 24(c).
- (d) As at December 2009, the convertible bonds issued by the Company which remained outstanding are as follows:

Principal Amount \$ million	Maturity Date Year	Conversion Price S\$	
424.75	2016	6.01	Convertible into 70,673,876 new ordinary shares
1,000.00	2022	11.5218	Convertible into 86,791,994 new ordinary shares
1,050.00	2018	7.1468	Convertible into 146,918,900 new ordinary shares
1,200.00	2016	4.79	Convertible into 250,521,920 new ordinary shares

There has been no redemption or conversion by the bondholders of any of the above convertible bonds during the year (2008: Nil).

25 SHARE CAPITAL

(e) The Company did not hold any treasury shares as at 31 December 2009 and 31 December 2008.

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 minority 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 minority interests).

	The Group	
	2009 \$'000	2008 \$'000
Gross borrowings	10,312,554	9,829,334
Cash and cash equivalents	(8,729,718)	(4,228,405)
Net debt	1,582,836	5,600,929
Total Equity	16,879,763	11,987,802
Net debt to equity ratio	0.09	0.47

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.

In addition, the Company has a share purchase mandate as approved by its shareholders which allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased may be held as treasury shares which the Company may transfer for the purposes of or pursuant to its employee share-based incentive schemes so as to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders. No share purchase was made during the year.

There were no changes in the Group's approach to capital management during the year.

26 OTHER RESERVES

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Capital reserve	435,483	950,762	383,490	213,212
Equity compensation reserve	94,224	105,364	36,184	41,592
Hedging reserve	(37,682)	(117,658)	—	—
Available-for-sale reserve	29,722	20,028	—	—
Foreign currency translation reserve	(181,748)	(96,622)	—	—
	339,999	861,874	419,674	254,804

The capital reserve comprises mainly the value of the option granted to bondholders to convert their convertible bonds into ordinary shares of the Company and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the options and shares under the Share Option Plan, Performance Share Plan and Restricted Stock Plan.

NOTES TO THE FINANCIAL STATEMENTS

26 OTHER RESERVES (cont'd)

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale investment until the investment is derecognised.

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

27 OTHER COMPREHENSIVE INCOME

The Group	Before tax \$'000	2009 Tax expense \$'000	Net of tax \$'000	Before tax \$'000	2008 Tax benefit \$'000	Net of tax \$'000
Exchange differences arising from translation of foreign operations and foreign currency loans	151,907	–	151,907	(250,376)	–	(250,376)
Reclassification adjustment of exchange differences included in income statement	6,844	–	6,844	(93,433)	–	(93,433)
Change in fair value of available-for-sale investments	53,839	–	53,839	(42,081)	–	(42,081)
Reclassification adjustment of available-for-sale reserve included in income statement	(41,403)	–	(41,403)	(17,343)	–	(17,343)
Effective portion of change in fair value of cash flow hedges	150,916	(36,117)	114,799	(234,456)	60,841	(173,615)
Reclassification adjustment of hedging reserve included in income statement	(12,214)	–	(12,214)	(5,526)	–	(5,526)
Reclassification adjustment of other capital reserve included in income statement	(132)	–	(132)	(136)	–	(136)
Share of other comprehensive income of associates and jointly-controlled entities	(38,308)	–	(38,308)	63,646	–	63,646
Reclassification adjustment of share of other comprehensive income of associates and jointly-controlled entities included in income statement	10,786	–	10,786	–	–	–
	282,235	(36,117)	246,118	(579,705)	60,841	(518,864)

28 REVENUE

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

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trading of properties	1,827,156	1,464,311	–	–
Rental and related income	435,839	493,724	–	–
Fee income	353,092	413,161	47,920	57,292
Serviced residence rental and related income	325,732	368,045	–	–
Dividend income from subsidiaries	–	–	462,428	637,124
Others	15,540	13,080	–	–
	2,957,359	2,752,321	510,348	694,416

29 PROFIT BEFORE TAXATION

Profit before taxation includes the following:

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(a) Other operating income					
Interest income from:					
– fixed deposits		27,454	74,849	1,777	8,817
– subsidiaries		–	–	90,454	82,605
– associates and jointly-controlled entities		43,442	28,565	–	–
– investee companies and others		5,788	3,676	26	–
– interest capitalised in development properties for sale	12(c)	(134)	(879)	–	–
		76,550	106,211	92,257	91,422
Dividend income/capital distribution		8,151	21,560	–	–
Mark-to-market gain on fair value through profit or loss					
– financial assets		–	10,854	–	–
Mark-to-market gain on derivative instruments		–	30,823	–	–
Gain on disposal/redemption of available-for-sale financial assets		56,467	22,982	–	–
Gain on disposal/dilution/liquidation of subsidiaries, associates and jointly-controlled entities		925,214	531,919	1,154,210	–
Foreign exchange gain		23,015	51,827	12,404	–
Gain on disposal of investment properties		19,140	76,600	–	–
Gain on disposal of property, plant and equipment		23,576	43,679	–	1
Gain on repurchase of convertible bonds		7,059	–	8,289	–
Net fair value gains from investment properties		–	300,682	–	–
Negative goodwill arising from an increased stake in subsidiaries		2,958	55,195	–	–
Underwriting fee income from associates' rights issue		19,359	–	14,802	–
Others		76,910	78,325	2,813	1,740
		1,238,399	1,330,657	1,284,775	93,163

NOTES TO THE FINANCIAL STATEMENTS

29 PROFIT BEFORE TAXATION (cont'd)

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(b) Staff costs					
Wages and salaries		338,107	366,352	29,960	30,095
Contributions to defined contribution plans		41,230	50,194	1,600	1,182
Share-based expenses					
– equity-settled		24,682	53,908	4,742	15,737
– cash-settled		4,045	3,736	542	125
(Decrease)/Increase in liability for short term accumulating compensated absences		(221)	774	8	33
Staff benefits, training/development costs and others		48,035	68,568	2,143	2,490
		455,878	543,532	38,995	49,662
Less:					
Staff costs capitalised in development properties for sale	12(c)	(33,377)	(59,950)	–	–
		422,501	483,582	38,995	49,662
Recognised in:					
Cost of sales	(c)(i)	215,847	212,561	–	–
Administrative expenses	(c)(ii)	206,654	271,021	38,995	49,662
		422,501	483,582	38,995	49,662
(c) (i) Cost of sales include:					
Staff costs	(b)	215,847	212,561	–	–
Provision for foreseeable losses on development properties for sale		158,104	52,803	–	–
Operating lease expenses		51,052	62,003	–	–
Operating expenses arising from investment properties that generated rental income		110,434	133,098	–	–
Amortisation of intangible assets	4	484	484	–	–
(ii) Administrative expenses include:					
Staff costs	(b)	206,654	271,021	38,995	49,662
Allowance for/(Write back of) doubtful receivables		15,361	(2,728)	90,706	765
Amortisation of intangible assets	4	1,080	1,519	–	–
Auditors' remuneration:					
– auditors of the Company		1,612	1,682	174	165
– other auditors		4,146	4,218	14	–
Non-audit fees:					
– auditors of the Company		906	319	28	47
– other auditors		662	549	–	–
Depreciation of property, plant and equipment	3	61,466	55,227	4,304	3,880
Operating lease expenses		39,448	28,655	3,613	2,628

29 PROFIT BEFORE TAXATION (cont'd)

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(c) (iii) Other operating expenses include:					
Net fair value losses from investment properties and properties under development		225,932	—	—	—
Impairment of available-for-sale financial assets		50,953	39,877	—	—
Mark-to-market loss on derivative instruments		34,210	—	—	—
Impairment and write off of property, plant and equipment		1,826	9,850	75	45
Provision for foreseeable losses	18(b)	145,924	35,654	—	—
Impairment of subsidiaries	7(a)(ii)	—	—	115,368	—
Impairment of goodwill	4	55,001	—	—	—
Impairment of associates	8(a)(i)	40,983	3,490	—	—
Impairment of jointly-controlled entities	9(a)(i)	14,271	—	—	—
(d) Finance costs					
Interest and securitisation costs paid and payable to:					
– subsidiaries		—	—	1,901	9
– bank loans and overdrafts		224,328	393,005	—	552
– debt securities		91,604	97,821	—	1,778
– minority interests		6,554	5,063	—	—
Convertible bonds:					
– interest expense		87,300	72,191	87,300	72,191
– amortisation of bond discount		43,650	31,405	43,650	31,405
– accretion of bond premium		11,945	10,735	11,945	10,735
Derivative financial instruments		24,847	1,517	—	—
Others		44,455	10,831	—	16
Total borrowing costs		534,683	622,568	144,796	116,686
Less:					
Borrowing costs capitalised in:					
– property, plant and equipment	3	—	(1,738)	—	—
– properties under development	6(b)	(6,582)	(6,218)	—	—
– development properties for sale	12(c)	(74,179)	(98,281)	—	—
		(80,761)	(106,237)	—	—
		453,922	516,331	144,796	116,686

NOTES TO THE FINANCIAL STATEMENTS

30 TAXATION

(a) Deferred Taxation

The Group	At 1/1/2009 \$'000	Income statement \$'000	Equity \$'000	Acquisition/ Disposal of subsidiaries \$'000	Translation differences \$'000	At 31/12/2009 \$'000
Deferred tax liabilities						
Accelerated tax depreciation	20,512	3,843	–	237	525	25,117
Discounts on compound financial instruments	39,995	(12,769)	38,760	–	–	65,986
Accrued income and interest receivable	9,837	(2,496)	–	–	(1)	7,340
Capital allowances of assets in investment properties	9,727	124	–	–	–	9,851
Profits recognised on percentage of completion	31,895	47,137	–	–	5,924	84,956
Fair value changes of investment properties	39,273	29,623	–	(43,375)	1,299	26,820
Unremitted earnings/ Deferred income	26,580	5,403	–	–	7,059	39,042
Others	9,350	2,384	–	–	1,331	13,065
Total	187,169	73,249	38,760	(43,138)	16,137	272,177
Deferred tax assets						
Unutilised tax losses	(19,545)	(45,945)	–	–	(10,202)	(75,692)
Provisions and expenses	(46,595)	(25,615)	–	–	(7,398)	(79,608)
Deferred income	(13,141)	(2,911)	–	(15)	539	(15,528)
Derivative financial instruments	(34,905)	–	36,117	–	(4,821)	(3,609)
Others	(20,436)	14,740	–	–	462	(5,234)
Total	(134,622)	(59,731)	36,117	(15)	(21,420)	(179,671)

30 TAXATION (cont'd)

(a) Deferred Taxation (cont'd)

The Group	At 1/1/2008 \$'000	Income statement \$'000	Equity \$'000	Acquisition/ Disposal of subsidiaries \$'000	Translation differences \$'000	At 31/12/2008 \$'000
Deferred tax liabilities						
Accelerated tax depreciation	33,537	4,865	–	(16,687)	(1,203)	20,512
Discounts on compound financial instruments	25,570	(6,635)	21,060	–	–	39,995
Accrued income and interest receivable	4,140	5,700	–	–	(3)	9,837
Capital allowances of assets in investment properties	9,434	1,130	(837)	–	–	9,727
Profits recognised on percentage of completion	65,009	(5,052)	(25,508)	–	(2,554)	31,895
Fair value changes of investment properties	89,848	68,520	314	(108,291)	(11,118)	39,273
Unremitted earnings/ Deferred income	29,619	3,547	–	–	(6,586)	26,580
Derivative financial instruments	18,784	–	(14,598)	–	(4,186)	–
Others	5,312	13,084	1,018	(8,087)	(1,977)	9,350
Total	281,253	85,159	(18,551)	(133,065)	(27,627)	187,169
Deferred tax assets						
Unutilised tax losses	(22,956)	(5,525)	(521)	7,253	2,204	(19,545)
Provisions and expenses	(42,391)	(9,870)	–	–	5,666	(46,595)
Deferred income	(11,170)	(27,950)	22,905	–	3,074	(13,141)
Derivative financial instruments	–	–	(34,905)	–	–	(34,905)
Others	(5,607)	(14,978)	–	–	149	(20,436)
Total	(82,124)	(58,323)	(12,521)	7,253	11,093	(134,622)

NOTES TO THE FINANCIAL STATEMENTS

30 TAXATION (cont'd)

(a) Deferred Taxation (cont'd)

The Company	At 1/1/2009 \$'000	Income statement \$'000	Equity \$'000	At 31/12/2009 \$'000
Deferred tax liabilities				
Discounts on compound financial instruments	39,995	(12,769)	38,760	65,986
Deferred tax assets				
Provisions	(9,854)	4,393	–	(5,461)

The Company	At 1/1/2008 \$'000	Income statement \$'000	Equity \$'000	At 31/12/2008 \$'000
Deferred tax liabilities				
Discounts on compound financial instruments	25,570	(6,635)	21,060	39,995
Deferred tax assets				
Provisions	(9,854)	–	–	(9,854)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Deferred tax liabilities	173,756	130,639	65,986	39,995
Deferred tax assets	(81,250)	(78,092)	(5,461)	(9,854)
	92,506	52,547	60,525	30,141

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

	The Group	
	2009 \$'000	2008 \$'000
Deductible temporary differences	142,711	175,953
Tax losses	244,195	184,064
Unutilised capital allowances	686	1,581
	387,592	361,598

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries of the Group can utilise the benefits. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The deductible temporary differences do not expire under current tax legislation.

30 TAXATION (cont'd)

(b) Tax Charge

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current tax expense				
– Based on current year's results	150,982	258,402	4,616	1,613
– (Over)/Under provision in respect of prior years	(49,960)	(49,462)	4,520	238
– Group relief	(28,080)	–	–	1,091
	72,942	208,940	9,136	2,942
Deferred tax expense				
– Origination and reversal of temporary differences	8,382	19,411	(14,383)	(6,635)
– Under provision in respect of prior years	5,138	7,425	6,007	–
	13,520	26,836	(8,376)	(6,635)
Total	86,462	235,776	760	(3,693)

Reconciliation of effective tax rate

	The Group	
	2009 \$'000	2008 \$'000
Profit before taxation	1,095,096	1,697,159
Less: Share of results of associates and jointly-controlled entities	(269,195)	(375,094)
Profit before share of results of associates, jointly-controlled entities and taxation	825,901	1,322,065
Income tax using Singapore tax rate of 17% (2008: 18%)	140,403	237,972
Adjustments:		
Expenses not deductible for tax purposes	173,166	133,562
Income not subject to tax	(188,188)	(140,761)
Effect of unrecognised tax losses and other deductible temporary differences	15,220	7,722
Effect of different tax rates in foreign jurisdictions	18,632	50,997
Over provision in respect of prior years	(44,822)	(42,037)
Group relief	(28,080)	–
Withholding taxes	25,247	3,225
Others	(25,116)	(14,904)
	86,462	235,776

NOTES TO THE FINANCIAL STATEMENTS

30 TAXATION (cont'd)

(b) Tax Charge (cont'd)

Reconciliation of effective tax rate (cont'd)

	The Company	
	2009 \$'000	2008 \$'000
Profit before taxation	1,385,750	598,054
Income tax using Singapore tax rate of 17% (2008: 18%)	235,578	107,650
Adjustments:		
Expenses not deductible for tax purposes	33,861	18,308
Income not subject to tax	(275,950)	(127,849)
Effect of other deductible temporary differences	(2,691)	(1,059)
Under provision in respect of prior years	10,527	238
Consideration paid for losses transferred	–	1,091
Tax benefit received on losses arising from group relief	–	(1,091)
Others	(565)	(981)
	760	(3,693)

31 EARNINGS PER SHARE

(a) Basic earnings per share

	The Group	
	2009 \$'000	2008 \$'000
Basic earnings per share is based on:		
Net profit attributable to equity holders of the Company	1,052,959	1,260,113
		Number of shares ('000)
Weighted average number of ordinary shares in issue during the year	4,017,136	3,403,544 ¹

¹ Restated for the effects of the CapitaLand Rights Issue.

31 EARNINGS PER SHARE (cont'd)

(b) Diluted earnings per share

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

	The Group	
	2009 \$'000	2008 \$'000
Net profit attributable to equity holders of the Company	1,052,959	1,260,113
Profit impact of conversion of the dilutive potential ordinary shares	35,702	57,145
Adjusted net profit attributable to equity holders of the Company	1,088,661	1,317,258
	Number of shares (('000))	
Weighted average number of ordinary shares used in calculation of basic earnings per share	4,017,136	3,403,544 ¹
Weighted average number of unissued ordinary shares from:		
– options under Share Option Plan	5,460	19,220
– shares under Performance Share Plan	18,927	16,850
– shares under Restricted Stock Plan	15,063	11,071
– convertible bonds	152,384	221,639 ¹
Number of ordinary shares that would have been issued at fair value	(2,549)	(12,635)
	189,285	256,145
Weighted average number of ordinary shares in issue (diluted)	4,206,421	3,659,689 ¹

¹ Restated for the effects of the CapitaLand Rights Issue.

32 DIVIDENDS

The Board of Directors of the Company has proposed a first and final dividend of 5.5 cents per share and a special dividend of 5.0 cents per share in respect of the financial year ended 31 December 2009. This would amount to a payout of approximately \$446.0 million based on the number of issued shares as at 31 December 2009. The dividends are subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2008, a first and final one-tier dividend of 5.5 cents per share and a special one-tier dividend of 1.5 cents per share were approved and paid. The said dividends of \$297.2 million were paid in May 2009.

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

There was no acquisition of significant subsidiary in 2009 and 2008.

The total acquisition cost for subsidiaries acquired, which individually was not significant, in aggregate amounted to \$60.0 million (2008: \$16.9 million). There were no significant contribution by the above subsidiaries to the net profit of the Group from the respective acquisition dates to 31 December 2009; nor to the revenue and the net profit of the Group had the acquisition occurred on 1 January 2009, before accounting for financing costs attributable to the acquisitions.

NOTES TO THE FINANCIAL STATEMENTS

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(b) Effects of acquisitions

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

The Group	Carrying amounts \$'000	Fair value adjustments \$'000	Recognised values \$'000
2009			
Property, plant and equipment	60,550	—	60,550
Development properties for sale	365,930	—	365,930
Interests in associates	20,103	—	20,103
Other non-current assets	5,133	—	5,133
Current assets	167,713	—	167,713
Current liabilities	(398,040)	—	(398,040)
Minority interests	(30,253)	—	(30,253)
	191,136	—	191,136
Amounts previously accounted for as associates, jointly-controlled entities and financial assets			(118,550)
Net assets acquired/Purchase consideration			72,586
Less:			
Cash of subsidiaries acquired			(12,535)
Cash outflow on acquisition of subsidiaries			60,051
2008			
Investment properties	8,072	—	8,072
Current assets	26,273	—	26,273
Current liabilities	(9,654)	—	(9,654)
Non-current liabilities	(256)	—	(256)
Minority interests	(7,514)	—	(7,514)
	16,921	—	16,921
Amounts previously accounted for as associates and jointly-controlled entities			18
Net assets acquired/Purchase consideration			16,939
Cash outflow on acquisition of subsidiaries			16,939

(c) Disposals of subsidiaries

- (i) During the year, the Group disposed off the following significant subsidiary for a total consideration of \$171.4 million:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
Pagesus Pte. Ltd.*	October 2009	100%

* This subsidiary was sold to Raffles City China Fund Ltd in which the Group has an effective interest of 44.8% as at end-2009.

The disposed subsidiaries previously incurred a net loss of \$4.4 million for the year ended 31 December 2008 but contributed a net profit of \$132.6 million from 1 January 2009 to the date of disposal.

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(c) Disposals of subsidiaries (cont'd)

- (ii) In 2008, the Group disposed off the following significant subsidiaries for a total consideration of \$885.4 million:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
Calderdale Pte Ltd	September 2008	100.0%
Floral Land Pte Ltd	September 2008	80.0%
Hua Qing Holdings Pte Ltd	September 2008	58.8%
Hua Lei Holdings Pte Ltd	September 2008	100.0%

The disposed subsidiaries previously contributed net profit of \$36.7 million for the year ended 31 December 2007 and \$149.8 million from 1 January 2008 to the respective dates of disposal.

(d) Effects of disposals

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

	The Group	
	2009 \$'000	2008 \$'000
Property, plant and equipment	46,325	114,236
Investment properties and properties under development	403,017	2,088,382
Other non-current assets	3,419	3,194
Current assets	13,730	208,172
Current liabilities	(239,695)	(1,033,886)
Interest bearing liabilities	(16,785)	(547,510)
Non-current liabilities	(43,137)	(137,003)
Minority interests	(3,508)	(185,072)
Net assets	163,366	510,513
Less:		
Equity interests retained as associates and jointly-controlled entities	–	(55,340)
Net assets disposed	163,366	455,173
Realisation of reserves	2,656	(93,436)
Deferred income	21,387	108,863
Gain on disposal of subsidiaries	23,036	414,767
Sale consideration	210,445	885,367
Repayment of shareholders' loan	244,251	779,745
Deferred payment	(909)	(66,083)
Deferred sale consideration received in relation to prior year's disposal of subsidiaries	67,991	–
Cash of subsidiaries disposed	(12,727)	(134,629)
Cash inflow on disposal of subsidiaries	509,051	1,464,400

(e) Net effects on acquisitions and disposals of subsidiaries

	The Group	
	2009 \$'000	2008 \$'000
Net cash inflow from acquisitions and disposals of subsidiaries	449,000	1,447,461

NOTES TO THE FINANCIAL STATEMENTS

34 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 business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as currency forwards, interest rate swaps and caps as well as foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the Risk Assessment Group ("RAG"). RAG generates a comprehensive portfolio risk report to assist the committee. This quarterly report measures a spectrum of risks, including property market risks, construction risks, interest rate risks, refinancing risks and currency risks.

(b) Market risk

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

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products comprise fixed deposits or short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps and caps to minimise its exposure to interest rate volatility. The Group classifies these interest rate swaps and caps as cash flow hedges.

The fair value loss of swaps as at 31 December 2009 was \$44.2 million (2008: fair value loss of \$148.6 million).

Sensitivity analysis

For interest rate swaps accounted for as cash flow hedges and other variable rate financial liabilities, it is estimated that an increase of 100 basis points in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and accumulated profits) by approximately \$34.6 million (2008: \$25.0 million). A decrease in 100 basis points 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 minority interests.

34 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Market risk (cont'd)

(ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Australian Dollars, Chinese Renminbi, Euros, Hong Kong Dollars, Japanese Yen, Sterling Pounds and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group also uses forward exchange contracts to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between three months and five years which are rolled over at market rates at maturity.

The net fair value loss of the above forward exchange contracts as at 31 December 2009 was \$21.4 million (2008: net fair value loss of \$8.9 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's exposure to foreign currencies as at 31 December 2009 and 31 December 2008 are as follows:

The Group	US Dollars \$'000	Australian Dollars \$'000	Chinese Renminbi \$'000	Hong Kong Dollars \$'000	Japanese Yen \$'000	Euros \$'000	Sterling Pounds \$'000	Others*	Total Foreign Currencies \$'000
2009									
Other financial assets	33,036	–	–	3,114	152,982	93	–	–	189,225
Trade and other receivables	278,346	273,476	226,566	46,028	12,270	30,360	37,277	38,700	943,023
Cash and cash equivalents	410,178	161,010	757,609	48,624	19,908	55,532	15,409	136,328	1,604,598
Borrowings and finance leases	(1,417,495)	(1,800,288)	(354,304)	(346,137)	(195,430)	(425,745)	(61,113)	(415,660)	(5,016,172)
Trade and other payables	(150,357)	(271,336)	(588,206)	(18,090)	(18,537)	(49,680)	(5,733)	(77,591)	(1,179,530)
Gross currency exposure	(846,292)	(1,637,138)	41,665	(266,461)	(28,807)	(389,440)	(14,160)	(318,223)	(3,458,856)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(74,814)	2,079,071	(118,753)	232,303	248,017	394,980	46,622	473,668	3,281,094
Foreign exchange forward contracts	–	(407,400)	–	–	(63,872)	–	(39,750)	–	(511,022)
Less: Available-for-sale financial assets	(272)	–	–	–	(152,982)	–	–	–	(153,254)
Net currency exposure	(921,378)	34,533	(77,088)	(34,158)	2,356	5,540	(7,288)	155,445	(842,038)

* Others include mainly Malaysian Ringgit, Thai Baht, Indian Rupee and Vietnamese Dong.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Market risk (cont'd)

(iii) Foreign currency risk (cont'd)

The Group	US Dollars \$'000	Australian Dollars \$'000	Chinese Renminbi \$'000	Hong Kong Dollars \$'000	Japanese Yen \$'000	Euros \$'000	Sterling Pounds \$'000	Others* \$'000	Total Foreign Currencies \$'000
2008									
Other financial assets	284,787	–	–	120,903	165,675	33	–	19	571,417
Trade and other receivables	231,738	367,497	541,978	131,409	19,444	29,972	40,902	42,167	1,405,107
Cash and cash equivalents	480,027	132,717	464,000	68,765	14,604	57,041	12,890	80,165	1,310,209
Borrowings and finance leases	(1,599,137)	(2,073,313)	(312,638)	(656,267)	(422,740)	(423,159)	(69,725)	(175,590)	(5,732,569)
Trade and other payables	(154,645)	(249,297)	(806,235)	(30,087)	(16,142)	(54,807)	(7,579)	(69,771)	(1,388,563)
Gross currency exposure	(757,230)	(1,822,396)	(112,895)	(365,277)	(239,159)	(390,920)	(23,512)	(123,010)	(3,834,399)
Less: Net financial liabilities denominated in the respective entities' functional currencies	774,103	1,823,874	209,791	500,566	181,975	390,967	48,755	134,155	4,064,186
Foreign exchange forward contracts	(39,508)	–	–	–	–	–	(36,879)	–	(76,387)
Less: Available-for-sale financial assets	(71,460)	–	–	(113,071)	(10,875)	–	–	–	(195,406)
Net currency exposure	(94,095)	1,478	96,896	22,218	(68,059)	47	(11,636)	11,145	(42,006)

* Others include mainly Malaysian Ringgit, Thai Baht and Vietnamese Dong.

The Company	US Dollars \$'000	Australian Dollars \$'000	Sterling Pounds \$'000	Others* \$'000	Total Foreign Currencies \$'000
2009					
Cash and cash equivalents	56	–	–	–	56
Trade and other payables	(1,049,321)	–	–	(39,910)	(1,089,231)
Currency exposure	(1,049,265)	–	–	(39,910)	(1,089,175)

2008

Cash and cash equivalents	53	6	16	2	77
Trade and other payables	(9)	–	–	–	(9)
Currency exposure	44	6	16	2	68

* Others include Hong Kong Dollars and Thai Baht.

Sensitivity analysis

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore Dollar would decrease the Group's profit before tax (and accumulated profits) by approximately \$42.1 million (2008: \$2.1 million) and increase the Group's other components of equity by approximately \$7.7 million (2008: \$9.8 million) respectively. A five percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects and share of minority interests.

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore Dollar would decrease the Company's profit before tax (and accumulated profits) by approximately \$54.5 million in 2009. The Company did not have any significant foreign currencies exposure in 2008. The analysis assumed that all other variables, in particular interest rates, remain constant.

34 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Market risk (cont'd)

(iii) Equity price risk

The Group has available-for-sale investments in equity securities and is exposed to price risk. These securities are listed in Japan (2008: Japan and Hong Kong). The Group is not exposed to commodity price risk.

Sensitivity analysis

If prices for equity securities listed in Japan (2008: Japan and Hong Kong) change by 5% with all other variables including tax rate being held constant, the impact on profit after tax and available-for-sale reserve will be as follows:

	5% increase \$'000	2009 5% decrease \$'000	5% increase \$'000	2008 5% decrease \$'000
Profit after tax	—	—	—	(1,065)
Available-for-sale reserve	2,208	(2,208)	6,719	(5,654)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instruments fails to meet its contractual obligations. For trade receivables, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables relate mainly to the Group's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria and are of high credit standing.

The principal risk to which the Group and the Company is exposed in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts it has issued. To mitigate the risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 36.

The Group has a diversified portfolio of businesses and as at balance sheet date, there were no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and jointly-controlled entities. There were no changes in the fair value of the Group's investment in convertible bonds classified as fair value through profit or loss, which were attributable to changes in credit risks.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (cont'd)

(d) Liquidity risk (cont'd)

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

The Group	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Not later than 1 year \$'000	Between 1 and 5 years \$'000	After 5 years \$'000
2009					
Financial liabilities, at amortised costs					
Bank borrowings	4,944,744	5,348,592	1,150,922	4,065,078	132,592
Debt securities	5,330,228	6,982,951	555,700	1,864,679	4,562,572
Finance leases	37,581	41,086	4,574	19,284	17,228
Trade and other payables*	1,895,405	1,925,871	1,538,956	377,589	9,326
	12,207,958	14,298,500	3,250,152	6,326,630	4,721,718
Derivative financial liabilities, at fair value	64,030	90,817	58,746	30,730	1,341
	12,271,988	14,389,317	3,308,898	6,357,360	4,723,059

2008

Financial liabilities, at amortised costs					
Bank borrowings	4,645,492	4,930,388	1,095,666	3,714,051	120,671
Debt securities	5,144,370	7,931,180	986,497	1,868,601	5,076,082
Finance leases	39,472	51,690	6,573	22,338	22,779
Trade and other payables*	2,228,907	2,246,848	2,152,292	85,279	9,277
	12,058,241	15,160,106	4,241,028	5,690,269	5,228,809
Derivative financial liabilities, at fair value	182,629	196,356	66,039	100,040	30,277
	12,240,870	15,356,462	4,307,067	5,790,309	5,259,086

The Company	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Not later than 1 year \$'000	Between 1 and 5 years \$'000	After 5 years \$'000
2009					
Financial liabilities, at amortised costs					
Debt securities	3,305,801	4,707,607	81,576	423,129	4,202,902
Trade and other payables*	1,209,912	1,212,390	1,212,390	–	–
	4,515,713	5,919,997	1,293,966	423,129	4,202,902
2008					
Financial liabilities, at amortised costs					
Debt securities	2,518,579	5,001,254	63,780	316,726	4,620,748
Trade and other payables*	95,650	95,650	95,650	–	–
	2,614,229	5,096,904	159,430	316,726	4,620,748

* Excludes quasi-equity loans, excess of progress billings over work-in-progress, liability for employee benefits and provisions.

34 FINANCIAL RISK MANAGEMENT (cont'd)

(d) Liquidity risk (cont'd)

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and affect the income statement:

The Group	Carrying amount \$'000	Contractual cash flows			
		Total \$'000	Not later than 1 year \$'000	Between 1 and 5 years \$'000	After 5 years \$'000
2009					
Interest rate swaps					
– liabilities	(44,190)	(72,430)	(34,075)	(35,543)	(2,812)
Forward start interest rate swaps					
– assets/(liabilities)	3,001	5,419	(865)	4,813	1,471
	(41,189)	(67,011)	(34,940)	(30,730)	(1,341)
2008					
Interest rate swaps					
– liabilities	(148,589)	(166,207)	(52,463)	(86,628)	(27,116)
Forward start interest rate swaps					
– liabilities	(19,657)	(20,666)	(4,092)	(13,413)	(3,161)
	(168,246)	(186,873)	(56,555)	(100,041)	(30,277)

(e) Fair values

The following methods and assumptions are used to estimate the fair values of the following significant classes of financial instruments:

(i) *Floating Interest Bearing Loans*

No fair value is calculated for floating interest bearing loans as the Group believes that the carrying amounts which are all re-priced within six months from the balance sheet date reflect the corresponding fair values.

(ii) *Trade and Other Receivables and Trade and Other Payables*

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature.

(iii) *Financial Assets/Financial Instruments*

The fair value of quoted securities is their quoted bid price at the balance sheet date. For other financial instruments, fair value has been determined by discounting the relevant cash flows using current or applicable interest rates for similar instruments at the balance sheet date.

(iv) *Non-Current Loans Due from/to Subsidiaries, Associates, Jointly-Controlled Entities, Investee Companies, Third Parties and Minority Interests*

Fair value is estimated as the present value of future cash flows discounted at current interest rates for similar instruments at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Fair values (cont'd)

(v) Derivatives

The fair value of derivative financial instruments is based on their market prices or brokers' quotes.

The aggregate net fair values of financial assets and liabilities which are not carried at fair value in the balance sheet as at 31 December are presented in the following table:

	2009		2008	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
The Group				
Fixed rate long term liabilities				
– secured debt securities	–	–	62,139	62,540
– unsecured debt securities	4,473,206	4,733,442	3,716,310	2,833,716
	4,473,206	4,733,442	3,778,449	2,896,256
The Company				
Fixed rate long term unsecured debt securities	3,305,801	3,560,279	2,518,579	1,727,899

(vi) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as at 31 December 2009. 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 assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available-for-sale financial assets	44,167	195,000	148,989	388,156
Derivative financial assets	–	2,006	–	2,006
	44,167	197,006	148,989	390,162
Derivative financial liabilities	–	(64,030)	–	(64,030)
	44,167	132,976	148,989	326,132

The movement of financial assets classified under level 3 is presented as follows:

	Note	Total \$'000
Balance as at 1 January 2009		371,624
Translation differences		176
Additions		12,174
Capital distribution		(201)
Impairments recognised in income statement		(52,222)
Fair value losses recognised in available-for-sale reserve		(812)
Exchanged for shares in a subsidiary	10(a)(i)	(181,750)
Balance as at 31 December 2009		148,989

35 COMMITMENTS

As at the balance sheet date, the Group and the Company had the following commitments:

(a) Operating lease

The Group leases a number of offices under operating leases. The leases typically have tenure of three years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate. Future minimum lease payments for the Group and the Company on non-cancellable operating leases are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Lease payments payable:				
Not later than 1 year	79,079	66,486	4,616	1,455
Between 1 and 5 years	158,920	154,764	7,135	768
After 5 years	50,665	64,277	133	133
	288,664	285,527	11,884	2,356

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

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Lease rentals receivable:				
Not later than 1 year	332,206	286,760	–	–
Between 1 and 5 years	793,039	715,693	–	–
After 5 years	454,169	449,367	–	–
	1,579,414	1,451,820	–	–

(b) Commitments

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	2,487	17,531	1,591	250
– development expenditure contracted but not provided for in the financial statements	1,136,801	1,044,685	–	–
– capital contribution/acquisition of associates, jointly-controlled entities and investee companies	1,591,752	1,557,585	–	–
– purchase of land contracted but not provided for in the financial statements	358,570	690,007	–	–
– shareholders' loan committed to associates, jointly-controlled entities and investee companies	8,360	7,360	–	–
	3,097,970	3,317,168	1,591	250

NOTES TO THE FINANCIAL STATEMENTS

35 COMMITMENTS (cont'd)

(c) As at the balance sheet date, the notional principal values of financial instruments are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Interest rate caps	39,768	160,309	—	—
Interest rate swaps	1,934,657	2,822,369	—	—
Forward start interest rate swaps	729,269	875,803	—	—
Forward foreign exchange contracts	852,309	319,586	—	—
Non delivery forward contracts	—	202,000	—	—
	3,556,003	4,380,067	—	—

(d) The maturity dates of these financial instruments are:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Not later than 1 year	1,441,224	1,590,109	—	—
Between 1 and 5 years	1,664,347	2,255,209	—	—
After 5 years	450,432	534,749	—	—
	3,556,003	4,380,067	—	—

36 FINANCIAL GUARANTEE CONTRACTS

There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. The Group and the Company only issue guarantees for their subsidiaries and related parties.

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	—	—	2,999,983	3,632,769
– associates	125,199	177,778	—	—
– jointly-controlled entities	19,486	32,182	4,367	4,419
– investee company	27,183	—	—	—
	171,868	209,960	3,004,350	3,637,188

(b) Undertakings by the Group and the Company:

- (i) The Company has provided several undertakings on cost overrun, interest shortfall, completion and annualised gross rental, on a joint or several basis, in respect of term loan and revolving credit facilities amounting to \$1,560.0 million, granted to a jointly-controlled entity. As at 31 December 2009, \$1,478.3 million (2008: \$1,275.4 million) of the facilities has been drawn.
- (ii) A subsidiary of the Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of a term loan facility amounting to \$605.2 million (2008: Nil) and bankers' guarantee facility amounting to \$54.8 million (2008: Nil) granted to its subsidiary. As at 31 December 2009, \$376.5 million (2008: Nil) of the term loan facility has been drawn.

36 FINANCIAL GUARANTEE CONTRACTS *(cont'd)*

(b) Undertakings by the Group and the Company *(cont'd)*:

- (iii) A subsidiary of the Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of a term loan facility amounting to \$1,370.0 million (2008: \$1,862.1 million) and bankers' guarantee facility amounting to \$133.9 million (2008: \$133.9 million) granted to an associate. As at 31 December 2009, \$870.1 million (2008: \$870.1 million) of the term loan facility has been drawn.
- (iv) A subsidiary of the Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of a term loan facility amounting to \$264.1 million (2008: \$393.0 million) and bankers' guarantee facility amounting to \$42.0 million (2008: \$42.0 million) granted to a jointly-controlled entity. As at 31 December 2009, \$226.1 million (2008: \$355.0 million) of the term loan facility has been drawn.
- (v) Certain of the Group's subsidiaries in China, whose principal activities are the trading of development properties would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at 31 December 2009, the outstanding notional amount of the guarantees amounted to \$55.2 million (2008: \$152.1 million).
- (vi) In 2008, a subsidiary of the Group has provided a cost overrun undertaking up to \$26.9 million in respect of the sale of its subsidiaries' and jointly-controlled entities' future receivables for residential projects. These future receivables have been settled in 2009.

(c) Options entered into by the Group:

A subsidiary of the Group has granted to Front Winners Sdn Bhd (the "Vendor"), a party unrelated to the Company, a put option to require the subsidiary to purchase the Gurney Plaza Extension and the Car Park Lot within five years from 15 August 2007 at the put option price to be determined on an agreed basis. In return, the Vendor has granted this subsidiary an option to purchase the same property at the same agreed terms within one year of the expiry of the put option in the event the Vendor does not exercise the put option.

37 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the 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.

The Group considers the directors of the Company, and the Council of CEOs comprising the President & CEO, key management officers of the corporate office and CEOs of the strategic business units, to be key management personnel in accordance with FRS 24 *Related Party Disclosures*.

NOTES TO THE FINANCIAL STATEMENTS

37 SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

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:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Subsidiaries				
Management fee income	—	—	47,920	57,292
Rental income	—	—	70	70
IT and administrative support services	—	—	1,317	811
Rental expense	—	—	(352)	(76)
Others	—	—	(240)	—
Associates and Jointly-Controlled Entities				
Management fee income	302,407	335,857	—	—
Rental expense	(12,278)	(7,602)	(2,869)	(1,389)
Accounting service fee, acquisition fee, marketing income and others	35,792	22,230	—	—
Proceeds from sale of properties and investments*	415,731	2,078,738	—	—
Construction and project management income	22,676	32,576	—	—
Others	(346)	(289)	(346)	(289)
Key Management Personnel				
Subscription of shares in the Company pursuant to its rights issue	2,537	—	1,929	—
Subscription of shares in a subsidiary pursuant to the initial public offering	3,757	—	2,542	—
Subscription of shares in the associates pursuant to the rights issues	2,301	—	—	—
Subscription of bonds/notes issued by the Company and its indirect subsidiary	3,250	3,000	2,250	3,000
Interest paid/payable by the Company, its indirect subsidiary and an associate	244	33	172	33
Professional fees paid/payable to a director or firms in which directors are members	175	99	85	99
Shareholder's loan to an investee company of the Group in which a director has an interest	—	1,782	—	—
Remuneration of Key Management Personnel				
Salary, bonus and other benefits	15,581	24,121	10,832	10,051
Employer's contributions to defined contribution plans	67	105	28	31
Equity compensation benefits	9,076	16,461	3,251	9,016
	24,724	40,687	14,111	19,098

* The Group has deferred a portion of the profit from the sale of these properties and investments based on its retaining stakes in the associates and jointly-controlled entities.

38 SUBSIDIARIES

- (a) The significant subsidiaries directly held by the Company which are incorporated and conducting business in the Republic of Singapore are as set out below:

Name of Company	Percentage held by the Company	
	2009 %	2008 %
CapitaLand Asia Pte Ltd	100	100
CapitaLand Commercial Limited	100	100
CapitaLand Financial Limited	100	100
CapitaLand GCC Holdings Pte Ltd	100	100
CapitaLand ILEC Pte Ltd	100	100
CapitaLand Residential Limited	100	100
CapitaMalls Asia Limited (formerly known as CapitaLand Retail Limited)	65.5	100
CapitaLand Treasury Limited	100	100
Somerset Capital Pte Ltd	100	100
The Ascott Limited (formerly known as The Ascott Group Limited)	100*	—

* During the year, the investment in The Ascott Limited was transferred from Areca Investment Pte Ltd, Somerset Capital Pte Ltd and Somerset Land Pte Ltd to the Company.

- (b) Other significant subsidiaries in the Group are as follows:

		Effective Interest held by the Group	
Name of Company	Place of Incorporation	2009 %	2008 %
(i) Directly or indirectly held by CapitaLand Residential Limited:			
Ausprop Holdings Limited	Singapore	100	100
Australand	Australia	59.3	59.3
Austvale Holdings Ltd	Singapore	100	100
CapitaLand China Holdings Pte Ltd	Singapore	100	100
CapitaLand Residential Singapore Pte Ltd	Singapore	100	100
CRL Realty Pte Ltd	Singapore	100	100
Leonie Court Pte Ltd	Singapore	100	100
Prime Equities Pte Ltd	Singapore	100	100
Imperial Realty Limited	Singapore	100	100
Phoenix Realty Pte Ltd	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

38 SUBSIDIARIES (cont'd)

(b) Other significant subsidiaries in the Group are as follows (cont'd):

Other significant subsidiaries in the Group are as follows (cont'd):

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2009 %	2008 %
(ii) Directly or indirectly held by CapitaLand China Holdings Pte Ltd:			
¹ BJ CL Pin Yuan Real Estate Dev Co Ltd	The People's Republic of China	100	100
⁴ CapitaLand China CCDF (Cayman) Holdings Co., Ltd	Cayman Islands	100	100
CapitaLand China Income Fund	Singapore	100	100
¹ CapitaLand (China) Investment Co., Ltd	The People's Republic of China	100	100
¹ CapitaLand Management (China) Co., Ltd	The People's Republic of China	100	100
¹ Shanghai Aoshun Property Co., Ltd	The People's Republic of China	100	86.7
¹ Shanghai Ning Xing Real Estate Development Co., Ltd	The People's Republic of China	100	73.0
³ Yong Teng Development Limited	Hong Kong	100	80.1
(iii) Directly or indirectly held by CapitaLand Commercial Limited:			
Adelphi Property Pte Ltd	Singapore	100	100
¹ CapitaLand – Vista Joint Venture Co., Ltd	Vietnam	80.0	80.0
CapitaLand (Office) Investments Pte Ltd	Singapore	100	100
CapitaLand (RCS) Property Management Pte. Ltd.	Singapore	60.0	60.0
CapitaLand (Vietnam) Holdings Pte. Ltd.	Singapore	100	100
CapitaLand Commercial Management Pte. Ltd.	Singapore	100	100
CapitaLand Investments Pte Ltd	Singapore	100	100
Corporation Place Ltd	Singapore	75.0	75.0
E-Pavilion Pte. Ltd.	Singapore	100	100
KAIC Pte Ltd	Singapore	100	100
KBC Pte Ltd	Singapore	100	100
SBR Private Limited	Singapore	100	100
Wan Tien Realty (Pte) Ltd	Singapore	100	100

38 SUBSIDIARIES (cont'd)

(b) Other significant subsidiaries in the Group are as follows (cont'd):

		Effective Interest held by the Group	
Name of Company	Place of Incorporation	2009 %	2008 %
(iv) Directly or indirectly held by CapitaMalls Asia Limited:			
CapitaMall Trust Management Limited	Singapore	65.5 [#]	–
CapitaLand Japan Fund Management Pte Ltd	Singapore	65.5 [#]	–
CapitaRetail China Fund Management Pte Ltd	Singapore	65.5 [#]	–
CapitaLand Retail (MY) Pte Ltd	Singapore	65.5	100
CapitaLand Retail China Investment Pte. Ltd.	Singapore	65.5	100
CapitaLand Retail China Private Limited	Singapore	65.5	100
CapitaLand Retail Hong Kong Investments Pte Ltd	Singapore	65.5	100
Gain 888 Investments Pte Ltd	Singapore	65.5	100
Pronto Investment One Pte Ltd	Singapore	65.5	100
Pyramex Investments Pte Ltd	Singapore	65.5	100
[#] Transferred from CapitaLand Financial Limited during the year. See note 38(b)(vi).			
(v) Directly or indirectly held by The Ascott Limited:			
¹ Ascott Group (Jersey) Limited	Jersey, United Kingdom	100	100
¹ Ascott International Management (Dubai) Co. Ltd	Singapore	100	100
Ascott International Management (Overseas Branch) Pte Ltd	Singapore	100	100
¹ Ascott Property Management (Shanghai) Co. Ltd	The People's Republic of China	100	100
Ascott Singapore Raffles Place Pte Ltd	Singapore	100	100
¹ Citadines Ashley TST Management (HK) Ltd	Hong Kong	100	100
¹ Citadines Melbourne on Bourke Pty Ltd	Australia	100	100
Citadines Singapore Mount Sophia Pte Ltd	Singapore	100	100
¹ Equicore Enterprise Sdn Bhd	Malaysia	100	100
¹ Guangzhou Slamet Property Co., Ltd	The People's Republic of China	100	100
Hua Xin Residences Pte Ltd	Singapore	100	100
¹ Liang Court (Malaysia) Sdn Bhd	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

38 SUBSIDIARIES (cont'd)

(b) Other significant subsidiaries in the Group are as follows (cont'd):

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2009 %	2008 %
(v) Directly or indirectly held by The Ascott Limited: (cont'd)			
¹ Orville SAS	France	100	100
Slamet Pte Ltd	Singapore	100	100
Somerset (Vietnam) Investments Pte Ltd	Singapore	100	100
¹ Somerset Hoa Binh JV Co. Ltd	Vietnam	90.0	90.0
The Ascott Capital Pte Ltd	Singapore	100	100
The Ascott Group (Europe) Pte Ltd	Singapore	100	100
The Ascott Heritage Pte Ltd	Singapore	100	100
The Ascott Holdings Ltd	Singapore	100	100
¹ The Ascott Mayfair Operating Limited	United Kingdom	100	100
¹ Wuhan New Minzhong Leyuan Co Ltd	The People's Republic of China	100	70.0
(vi) Directly or indirectly held by CapitaLand Financial Limited:			
CapitaLand China Development Fund Management Private Limited	Singapore	100	100
CapitaCommercial Trust Management Limited	Singapore	100	100
CapitaMall Trust Management Limited	Singapore	— [#]	100
CapitaRetail China Fund Management Pte Ltd	Singapore	— [#]	100
CapitaLand China Property Fund Management Pte Ltd	Singapore	100	100
CapitaLand Japan Fund Management Pte Ltd	Singapore	— [#]	100
CapitaLand RECM Pte Ltd	Singapore	100	100
RCCF Management Pte Ltd	Singapore	100	100

[#] Transferred to CapitaMalls Asia Limited during the year. See note 38(b)(iv).

38 SUBSIDIARIES (cont'd)

(b) Other significant subsidiaries in the Group are as follows (cont'd):

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2009 %	2008 %
(vii) Directly or indirectly held by Australand:			
² Australand Finance Limited	Australia	59.3	59.3
² Australand Funds Management Limited	Australia	59.3	59.3
² Australand HK Company Limited	Australia	59.3	59.3
² Australand Investments Limited	Australia	59.3	59.3
² Australand Property Trust	Australia	59.3	59.3
² Australand Property Trust No. 4	Australia	59.3	59.3
² Australand Property Trust No. 5	Australia	59.3	59.3
² Australand Property Limited	Australia	59.3	59.3
² Australand Wholesale Holdings Limited	Australia	59.3	59.3
² Australand Wholesale Investments (Custodian) Limited	Australia	59.3	59.3
² Rylehall Pty Limited	Australia	59.3	59.3
² Port Catherine Development Pty Ltd	Australia	59.3	59.3
(viii) Directly held by CapitaLand ILEC Pte Ltd:			
CapitaLand Integrated Resort Pte Ltd	Singapore	100	100
Kestrel Pte Ltd	Singapore	100	100
(ix) Directly or indirectly held by CapitaLand GCC Holdings Pte Ltd:			
¹ CapitaLand Bahrain Bay Business Services WLL	Bahrain	100	100
CapitaLand GCC (Bahrain) Pte Ltd	Singapore	100	100

Notes:

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

² Audited by PricewaterhouseCoopers and its associated firms.

³ Audited by Alliot, Tsoi CPA Limited.

⁴ Audit not required in the country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

39 ASSOCIATES

Details of significant associates are as follows:

		Effective Interest held by the Group	
Name of Company	Place of Incorporation	2009 %	2008 %
(i) Jointly held by Somerset Capital Pte Ltd and The Ascott Limited:			
Ascott Residence Trust	Singapore	47.5	47.0
(ii) Indirectly held by CapitaLand China Holdings Pte Ltd:			
CapitaLand China Development Fund Pte Ltd	Singapore	37.5	37.5
¹ Central China Real Estate Ltd	Cayman Islands	27.1	27.1
² Lai Fung Holdings Limited	Cayman Islands	20.0	20.0
¹ Raffles City China Fund Ltd	Cayman Islands	44.8*	50.0
* Includes 9.8% indirectly held through CapitaMalls Asia Limited.			
(iii) Indirectly held by CapitaLand Commercial Limited:			
CapitaCommercial Trust	Singapore	31.6#	31.1#
³ DBS China Square Limited	Singapore	30.0	30.0
³ United Malayan Land Bhd.	Malaysia	20.8	20.8
# Includes 2.3% & 1.6% indirectly held through CapitaLand Financial Limited for 2009 & 2008 respectively.			
(iv) Indirectly held by CapitaMalls Asia Limited:			
CapitaMall Trust	Singapore	19.6	29.6^
CapitaRetail Japan Fund Private Limited	Singapore	17.2	26.3
CapitaRetail China Trust	Singapore	17.7	26.6®
CapitaRetail China Development Fund	Singapore	29.5	45.0
CapitaRetail China Development Fund II	Singapore	29.5	45.0
CapitaRetail China Incubator Fund	Singapore	19.7	30.0
CapitaRetail India Development Fund	Singapore	29.8	45.5
^ Includes 0.8% indirectly held through CapitaLand Financial Limited.			
® Includes 0.8% indirectly held through CapitaLand Financial Limited.			
(v) Indirectly held by CapitaLand Financial Limited:			
¹ CapitaLand AIF Ltd	Cayman Islands	44.4	44.4
² I. P. Property Fund Asia Limited	Guernsey	20.0	20.0

39 ASSOCIATES (cont'd)

Details of significant associates are as follows (cont'd):

		Effective Interest held by the Group	
Name of Company	Place of Incorporation	2009 %	2008 %
(vi) Indirectly held by CapitaLand ILEC Pte Ltd:			
² East Asia Satellite Television (Holdings) Limited	British Virgin Islands	33.3	33.3
(vii) Indirectly held by CapitaLand GCC Holdings Pte Ltd:			
¹ Raffles City Bahrain Fund Ltd	Cayman Islands	37.7	37.1

Notes:

All significant associates are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

² Audited by Ernst & Young and its associated firms.

³ Audited by PricewaterhouseCoopers and its associated firms.

40 JOINTLY-CONTROLLED ENTITIES

Details of significant jointly-controlled entities are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2009 %	2008 %
(i) Directly held by CapitaLand Asia Pte Ltd:			
¹ T.C.C. Capital Land Limited	Thailand	40.0	40.0
(ii) Indirectly held by CapitaLand Residential Limited:			
Riverwalk Promenade Pte Ltd	Singapore	50.0	50.0
Tanglin Residential Pte Ltd	Singapore	50.0	50.0
(iii) Indirectly held by CapitaMalls Asia Limited:			
Orchard Turn Holding Pte Ltd	Singapore	32.8	50.0
(iv) Indirectly held by CapitaLand GCC Holdings Pte Ltd:			
¹ Mubadala CapitaLand Real Estate LLC	United Arab Emirates	49.0	49.0

Notes:

All significant jointly-controlled entities are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

NOTES TO THE FINANCIAL STATEMENTS

41 OPERATING SEGMENTS

Management determines the operating segments based on the reports reviewed and used by the Council of CEOs for strategic decisions making and resources allocation. For management purposes, the Group is organised into strategic business units based on their products, services and geography.

The Group's reportable operating segments are as follows:

- (i) CapitaLand Residential Singapore – develops residential properties in Singapore for sale and covers a wide spectrum of the residential market in Singapore.
- (ii) CapitaLand China Holdings – involved in the residential, commercial and integrated property development sectors in China.
- (iii) CapitaLand Commercial – owner/manager of commercial and industrial properties in Singapore, Malaysia and United Kingdom. It also develops residential projects in Vietnam, Malaysia, India and Thailand.
- (iv) CapitaMalls Asia – shopping mall owner/manager with portfolio in Singapore, China, India, Japan and Malaysia.
- (v) Ascott – an international serviced residence owner-operator with operations in key cities of Asia Pacific, Europe and the Gulf region. It operates three brands, namely Ascott, Somerset and Citadines. The Group's holding in Ascott Residence Trust is also presented in this segment.
- (vi) CapitaLand Financial – involved in real estate fund management and financial advisory services.
- (vii) Australand – a major diversified property group with activities in residential, commercial and industrial developments and investment properties across Australia.
- (viii) Others – includes Corporate Office, Group Treasury, the Group's new businesses and consolidation adjustments.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax ("EBIT"). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

Geographically, management reviews the performance of the businesses in Singapore, China, Other Asia, Australia and Europe. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current assets and total assets are based on the geographical location of the assets.

41 OPERATING SEGMENTS *(cont'd)*
Operating Segments – 31 December 2009

	CapitaLand Residential Singapore \$'000	CapitaLand China Holdings \$'000	CapitaLand Commercial \$'000	CapitaMalls Asia \$'000	Ascott \$'000	CapitaLand Financial \$'000	Australand \$'000	Others \$'000	Group \$'000
Revenue									
External revenue	673,782	641,970	133,367	223,000	388,368	158,136	732,490	6,246	2,957,359
Inter-segment revenue	–	4,987	11,560	5,946	5,343	4,036	–	(31,872)	–
Total Revenue	673,782	646,957	144,927	228,946	393,711	162,172	732,490	(25,626)	2,957,359
Segmental Results									
Company and subsidiaries	322,892	353,167	(246,916)	32,595	52,316	111,838	(168,126)	822,057	1,279,823
Associates	(24,916)	188,892	(240,287)	(50,658)	(19,629)	(13,466)	(1,658)	(36,239)	(197,961)
Jointly-controlled entities	73,732	9,128	(10,158)	467,174	(1,270)	(400)	(71,050)	–	467,156
Earnings Before Interest and Taxation	371,708	551,187	(497,361)	449,111	31,417	97,972	(240,834)	785,818	1,549,018
Finance costs									(453,922)
Taxation									(86,462)
Profit for the year									1,008,634
Segment Assets	2,316,567	3,520,170	2,580,886	6,482,363	3,755,397	222,068	4,373,107	6,915,456	30,166,014
Segment Liabilities	779,252	848,743	782,665	973,514	1,758,712	47,093	1,617,365	6,478,907	13,286,251
Other segment items:									
Interest Income	17,181	10,133	5,897	23,517	2,311	(138)	5,903	11,746	76,550
Depreciation and amortisation	(787)	(2,197)	(5,006)	(6,563)	(37,906)	(713)	(3,747)	(6,111)	(63,030)
Impairment losses for assets	–	(1,557)	(176,179)	(221)	(7,633)	(5)	–	(73,363)	(258,958)
Fair value gains/(losses) on investment properties and properties under development	–	185,723	(77,569)	(98,970)	729	–	(235,845)	–	(225,932)
Share-based expenses	(1,962)	(3,028)	(4,687)	(5,245)	(3,541)	(2,602)	(1,117)	(6,545)	(28,727)
Gains on disposal of investments	–	18,889	29,474	52,817	25,373	1	–	897,843	1,024,397
Interests in Associates	240,059	1,320,496	1,357,786	2,997,218	538,872	140,307	38,831	378,605	7,012,174
Interests in Jointly- controlled Entities	114,467	219,424	167,570	794,830	40,046	(962)	334,488	2,193	1,672,056
Capital Expenditure*	448	384,663	2,102	92,555	190,735	281	142,703	1,992	815,479

* Capital Expenditure consists of additions of property, plant and equipment, investment properties, properties under development and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

41 OPERATING SEGMENTS *(cont'd)* Operating Segments – 31 December 2008

	CapitaLand Residential Singapore \$'000	CapitaLand China Holdings \$'000	CapitaLand Commercial \$'000	CapitaMalls Asia \$'000	Ascott \$'000	CapitaLand Financial \$'000	Australand \$'000	Others \$'000	Group \$'000
Revenue									
External revenue	400,193	325,444	210,692	200,937	438,596	179,509	984,301	12,649	2,752,321
Inter-segment revenue	–	4,884	17,186	5,745	3,163	2,724	–	(33,702)	–
Total Revenue	400,193	330,328	227,878	206,682	441,759	182,233	984,301	(21,053)	2,752,321
Segmental Results									
Company and subsidiaries	140,790	849,444	229,827	157,365	141,655	85,300	141,847	92,168	1,838,396
Associates	(8,739)	33,621	172,463	143,890	(4,090)	5,023	(368)	(23,525)	318,275
Jointly-controlled entities	42,938	369	(6,703)	(2,630)	(5,367)	57	28,155	–	56,819
Earnings Before Interest and Taxation	174,989	883,434	395,587	298,625	132,198	90,380	169,634	68,643	2,213,490
Finance costs									(516,331)
Taxation									(235,776)
Profit for the year									1,461,383
Segment Assets	2,001,736	3,602,172	2,902,222	5,108,275	3,454,785	308,771	4,079,499	3,626,153	25,083,613
Segment Liabilities	527,421	958,823	795,555	781,066	1,586,169	65,229	2,035,250	6,346,298	13,095,811
Other segment items:									
Interest Income	17,678	23,300	7,066	10,976	11,010	526	7,044	28,611	106,211
Depreciation and amortisation	(775)	(2,517)	(5,232)	(5,238)	(32,310)	(734)	(4,354)	(6,070)	(57,230)
Impairment losses for assets	–	(5,594)	(285)	(133)	(12,105)	(31,346)	–	(3,754)	(53,217)
Fair value gains/(losses) on investment properties	20	299,475	18,147	50,196	938	–	(68,094)	–	300,682
Share-based expenses	(3,247)	(5,169)	(6,411)	(5,530)	(8,365)	(7,679)	(2,772)	(18,471)	(57,644)
Gains on disposal of investments	30	378,475	189,858	33,173	69,173	780	472	3,219	675,180
Interests in Associates	279,739	1,249,467	1,476,785	2,779,708	538,685	208,902	34,476	210,051	6,777,813
Interests in Jointly- controlled Entities	268,247	127,933	239,673	187,459	75,873	–	185,856	1,739	1,086,780
Capital Expenditure*	849	363,093	113,586	313,706	342,363	540	587,341	562,338	2,283,816

* Capital Expenditure consists of additions of property, plant and equipment, investment properties, properties under development and intangible assets.

Geographic Information

	Singapore \$'000	Australia \$'000	China* \$'000	Other Asia* \$'000	Europe \$'000	Others® \$'000	Total \$'000
2009							
External Revenue	978,996	755,689	773,914	163,291	248,189	37,280	2,957,359
Non-current Assets[^]	6,488,552	2,975,908	3,814,030	1,720,267	1,033,554	–	16,032,311
Total Assets	15,772,857	4,568,785	6,197,750	2,363,928	1,209,408	53,286	30,166,014

41 OPERATING SEGMENTS *(cont'd)* Geographic Information *(cont'd)*

2008	Singapore \$'000	Australia \$'000	China* \$'000	Other Asia# \$'000	Europe \$'000	Others® \$'000	Total \$'000
External Revenue	834,938	1,014,765	469,477	108,325	288,383	36,433	2,752,321
Non-current Assets[^]	5,915,136	2,443,386	3,769,480	1,829,349	978,340	–	14,935,691
Total Assets	10,904,953	4,139,978	6,469,898	2,295,915	1,166,313	106,556	25,083,613

* China includes Hong Kong and Macau.

Other Asia includes Indonesia, Japan, Malaysia, Philippines, Thailand, Korea, India, Vietnam and Gulf Cooperation Council countries.

® Others includes the Cayman Islands.

[^] Non-current assets comprised property, plant and equipment, intangible assets, investment properties, properties under development and interests in associates and jointly-controlled entities.

42 SUBSEQUENT EVENTS

On 18 January 2010, the Company announced that its indirect wholly-owned subsidiary, CapitaLand China (RE) Holdings Co., Ltd has signed a Share Sale and Purchase Agreement with Orient Overseas (International) Limited (“OOIL”) to purchase its entire 100% stake of Orient Overseas Developments Limited (“OODL”) for a cash consideration of US\$2.2 billion (approximately S\$3.1 billion). OODL, through its subsidiaries, owns a portfolio of seven sites in Shanghai, Kunshan and Tianjin, China comprising pipeline projects of approximately 1.48 million square metres of gross floor area of which approximately half is residential, with the balance being office, retail and serviced residences/hotel. The acquisition was completed on 10 February 2010.

43 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- Amendments to FRS 32 *Financial Instruments: Presentation* – Classification of Rights Issues
- Amendments to FRS 39 *Financial Instruments: Recognition and Measurement* – Eligible Hedged Items
- Amendments to FRS 102 *Share-based Payment* – Group cash-settled share-based payment transactions
- FRS 103 (revised) *Business Combinations* and FRS 27 (revised) *Separate and Consolidated Financial Statements*
- Improvements to FRSs 2009
- INT FRS 117 *Distributions of Non-cash Assets to Owners*

FRS 103 (revised 2009) and FRS 27 (amended) will become effective for the Group’s financial statements for the year ending 31 December 2010. FRS 103 (revised 2009) introduces significant changes to the accounting for business combination, both at the acquisition date and post acquisition, and requires greater use of fair values. The amendments will mainly impact the accounting for transaction costs, step acquisitions, goodwill and non-controlling interests (“NCI”) (previously minority interests). The revised FRS 103 will be applied prospectively and therefore there will be no impact on prior periods in the Group’s financial statements for the year ending 31 December 2010.

The amended FRS 27 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with gain or loss recognised in the income statement. The amendments will be applied prospectively to transactions with NCI and therefore there will be no impact on prior periods in the Group’s financial statements for the year ending 31 December 2010.

The initial application of these standards (and its consequential amendments) and interpretations is not expected to have material impact on the Group’s financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

OTHER INFORMATION

1. DIRECTORS' REMUNERATION

(a) Directors' Compensation Table for the Financial Year Ended 31 December 2009:

Directors of the Company	Salary inclusive of AWS and employer's CPF \$	Bonus and other benefits inclusive of employer's CPF ⁽¹⁾ \$	Directors' fees inclusive of attendance fees ⁽²⁾ \$	Contingent awards of shares ⁽³⁾ \$	Total \$
Payable by Company:					
Dr Hu Tsu Tau	—	—	130,634	58,463	189,097
Peter Seah Lim Huat	—	—	154,243	58,463	212,706
Liew Mun Leong	1,019,148	3,828,384	—	947,858	5,795,390
Lim Chin Beng	—	—	105,184	53,591	158,775
Jackson Peter Tai	—	—	141,494	34,103	175,597
Richard Edward Hale	—	—	130,534	53,591	184,125
Dr Victor Fung Kwok King ⁽⁴⁾	—	—	59,940	—	59,940
James Koh Cher Siang	—	—	132,351	58,463	190,814
Arfat Pannir Selvam	—	—	142,343	43,848	186,191
Professor Kenneth Stuart Courtis	—	—	147,794	34,103	181,897
Dr Fu Yuning ⁽⁵⁾	—	—	38,814	—	38,814
Sub-Total 1	1,019,148	3,828,384	1,183,331	1,342,483	7,373,346
Payable by Subsidiaries:					
Lim Chin Beng	—	—	63,500	—	63,500
Richard Edward Hale	—	—	78,000	—	78,000
James Koh Cher Siang	—	—	131,000	—	131,000
Arfat Pannir Selvam	—	—	9,000	—	9,000
Dr Fu Yuning	—	—	6,900	—	6,900
Sub-Total 2	—	—	288,400	—	288,400
Total for Directors of the Company	1,019,148	3,828,384	1,471,731	1,342,483	7,661,746

⁽¹⁾ The bonus figures consist primarily of Economic Value Added ("EVA") bonuses under the EVA incentive plan and are disclosed based on an accrual basis and accrued for the performance of the same year. The EVA bonus for the year 2009 is higher than 2008 due to higher portfolio gain. The EVA bonus accrued for year 2009 is credited into the bonus account and 1/3 of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a clawback feature, is positive.

⁽²⁾ The directors' fees will only be paid upon approval by the shareholders at the forthcoming Annual General Meeting of the Company and its subsidiaries.

⁽³⁾ With effect from this financial year ended 31 December 2009, the Company will be disclosing the value of the contingent awards of shares granted to its Directors. The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under the CapitaLand Restricted Stock Plan ("RSP") and the CapitaLand Performance Share Plan ("PSP") at the time of grant. All Directors are granted the contingent awards of shares pursuant to RSP except for Mr Liew Mun Leong who is granted the contingent awards of shares pursuant to both 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 fair value of the shares determined for the contingent awards in 2009 is significantly lower than 2008.

⁽⁴⁾ Dr Victor Fung Kwok King had declined the grant of contingent awards of shares.

⁽⁵⁾ Dr Fu Yuning was appointed as a director of the Company on 27 July 2009.

1. DIRECTORS' REMUNERATION (cont'd)

(b) Directors' Compensation Table for the Financial Year Ended 31 December 2008:

Directors of the Company	Salary inclusive of AWS and employer's CPF \$	Bonus and other benefits inclusive of employer's CPF ⁽¹⁾ \$	Directors' fees inclusive of attendance fees ⁽²⁾ \$	Contingent awards of shares ⁽³⁾ \$	Total \$
Payable by Company:					
Dr Hu Tsu Tau	—	—	122,130	163,836	285,966
Hsuan Owyang ⁽⁴⁾	—	—	172,800	238,928	411,728
Liew Mun Leong	1,198,872	2,979,118	—	3,238,708	7,416,698
Lim Chin Beng	—	—	97,200	140,332	237,532
Jackson Peter Tai	—	—	120,060	95,571	215,631
Peter Seah Lim Huat	—	—	93,600	95,571	189,171
Richard Edward Hale	—	—	122,400	150,183	272,583
Professor Robert Henry Edelstein ⁽⁵⁾	—	—	22,365	—	22,365
Dr Victor Fung Kwok King ⁽⁶⁾	—	—	54,900	—	54,900
James Koh Cher Siang	—	—	124,200	136,530	260,730
Arfat Pannir Selvam	—	—	134,100	122,877	256,977
Professor Kenneth Stuart Courtis	—	—	73,800	68,265	142,065
Sub-Total 1	1,198,872	2,979,118	1,137,555	4,450,801	9,766,346
Payable by Subsidiaries:					
Hsuan Owyang	—	—	193,000	—	193,000
Liew Mun Leong	—	31,996	14,066	—	46,062
Lim Chin Beng	—	26,663	133,025	—	159,688
Richard Edward Hale	—	26,663	151,573	—	178,236
Sub-Total 2	—	85,322	491,664	—	576,986
Total for Directors of the Company	1,198,872	3,064,440	1,629,219	4,450,801	10,343,332

⁽¹⁾ The bonus figures consist primarily of 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 2008 is credited into the bonus account and 1/3 of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a clawback feature, is positive.

⁽²⁾ The directors' fees were approved by the shareholders and had since been paid.

⁽³⁾ The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under RSP and PSP at the time of grant. All Directors are granted the contingent awards of shares pursuant to RSP except for Mr Liew Mun Leong who is granted the contingent awards of shares pursuant to both 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.

⁽⁴⁾ Mr Hsuan Owyang resigned as a director of the Company on 1 January 2009.

⁽⁵⁾ Professor Robert Henry Edelstein resigned as a director of the Company on 29 April 2008.

⁽⁶⁾ Dr Victor Fung Kwok King had declined the grant of contingent awards of shares.

(c) Number of Directors of CapitaLand Limited in Remuneration Bands:

Remuneration Bands	2009	2008
\$500,000 and above	1	1
\$250,000 to \$499,999	0	5
Below \$250,000	10	6
Total	11	12

OTHER INFORMATION

2. INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

The Group	2009 \$'000
Transactions for the Sale of Goods and Services:	
Associates of Temasek Holdings (Private) Limited	828
Transactions for the Purchase of Goods and Services:	
Associates of Temasek Holdings (Private) Limited	301
Singapore Airlines Limited	181
Provision of warranties in respect of the sale of shares by an associate of the Group:	
Associate of Temasek Holdings (Private) Limited	736
Interest payable in relation to the subscription of fixed rate notes issued by an indirect subsidiary of the Company under a multicurrency medium term notes programme:	
Liew Mun Leong	389
Subscription of shares in a subsidiary of the Company, CapitaMalls Asia Limited, pursuant to its initial public offering:	
Associate of Temasek Holdings (Private) Limited	134,196
Liew Mun Leong and his associate	1,149
Arfat Pannir Selvam	114
Dr Fu Yuning	114

3. KEY EXECUTIVES' REMUNERATION

Key Executives' Compensation Table for the Financial Year Ended 31 December 2009:

Total Compensation ⁽¹⁾ Bands	Executive
\$2,750,000 to \$2,999,999	Wen Khai Meng and Lim Ming Yan
\$2,500,000 to \$2,749,999	Olivier Lim Tse Ghov
\$2,250,000 to \$2,499,999	Jennie Chua Kheng Yeng

¹ Total compensation comprises salary, annual wage supplement, bonus, employer's CPF, contingent awards of shares and other benefits in kind. The bonus is based on an accrual basis and accrued for the performance of the same year. The contingent awards of shares are based on the fair value of the shares comprised in the baseline awards under the CapitaLand Restricted Stock Plan ("RSP") and the CapitaLand Performance Share Plan ("PSP") at the time of grant. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP.

4. USE OF PROCEEDS

In September 2009, the Company issued \$1.2 billion principal amount of convertible bonds due in 2016. Up to 31 December 2009, the Company has utilised \$430 million of the proceeds and the balance of proceeds as at 31 December 2009 was \$770 million.

SHAREHOLDING STATISTICS

As at 26 February 2010

SHARE CAPITAL FULLY PAID

S\$6,276,851,552.50 (comprising 4,248,921,088 fully paid Ordinary Shares; voting rights: one vote per share)

TWENTY LARGEST SHAREHOLDERS

As shown in the Register of Members and Depository Register

	Name	No. of Shares	%
1	Temasek Holdings (Private) Limited	1,680,704,140	39.56
2	Citibank Nominees Singapore Pte Ltd	872,204,598	20.53
3	DBS Nominees (Private) Limited	412,146,397	9.70
4	DBSN Services Pte. Ltd.	255,900,460	6.02
5	HSBC (Singapore) Nominees Pte Ltd	203,587,081	4.79
6	United Overseas Bank Nominees (Private) Limited	148,879,226	3.50
7	Raffles Nominees (Pte.) Limited	79,161,846	1.86
8	BNP Paribas Securities Services Singapore Branch	26,452,637	0.62
9	UOB Kay Hian Private Limited	13,076,953	0.31
10	Pei Hwa Foundation Limited	11,673,335	0.27
11	OCBC Nominees Singapore Private Limited	10,852,823	0.26
12	Lee Pineapple Company (Pte) Limited	10,000,000	0.24
13	DB Nominees (Singapore) Pte Ltd	9,605,688	0.23
14	OCBC Securities Private Limited	8,503,357	0.20
15	Phillip Securities Pte Ltd	7,417,000	0.17
16	DBS Vickers Securities (Singapore) Pte Ltd	7,120,154	0.17
17	Merrill Lynch (Singapore) Pte. Ltd.	6,731,008	0.16
18	BNP Paribas Nominees Singapore Pte Ltd	6,031,084	0.14
19	TM Asia Life Singapore Ltd - PAR Fund	6,010,000	0.14
20	Morgan Stanley Asia (Singapore) Securities Pte Ltd	5,543,885	0.13
	Total	3,781,601,672	89.00

SHAREHOLDING STATISTICS As at 26 February 2010

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 26 February 2010

Substantial Shareholder	No. of ordinary shares in which substantial shareholder has a direct interest	No. of ordinary shares in which substantial shareholder is deemed to have an interest
Temasek Holdings (Private) Limited	1,680,704,140	58,942,630 ⁽¹⁾

Note:

⁽¹⁾ By virtue of Section 7 of the Companies Act, Cap. 50 of Singapore, Temasek Holdings (Private) Limited ("Temasek") is deemed to have an interest in 58,942,630 ordinary shares in which its associated companies have or are deemed to have an interest. Temasek is wholly owned by the Minister for Finance (Incorporated).

SIZE OF HOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of Shares	% of shares
1 – 999	997	1.87	388,054	0.01
1,000 – 10,000	44,626	83.87	165,546,975	3.90
10,001 – 1,000,000	7,543	14.18	257,633,294	6.06
1,000,001 and above	42	0.08	3,825,352,765	90.03
Total	53,208	100.00	4,248,921,088	100.00

Approximately 58.94% 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 of the Company will be held at the STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912, on Friday, 16 April 2010 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

- 1 To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2009 and the Auditors' Report thereon.
- 2 To declare a first and final 1-tier dividend of S\$0.055 per share and a special 1-tier dividend of S\$0.05 per share for the year ended 31 December 2009.
- 3 To approve Directors' fees of S\$1,183,331 for the year ended 31 December 2009. (2008: S\$1,137,555)
- 4 To re-appoint the following Directors, who are retiring under Section 153(6) of the Companies Act, Cap. 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting:
 - (a) Dr Hu Tsu Tau
 - (b) Mr Richard Edward Hale
- 5 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) Mr Peter Seah Lim Huat
 - (b) Mr Liew Mun Leong
- 6 To re-elect the following Directors, who are retiring pursuant to Article 101 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:
 - (a) Dr Fu Yuning
 - (b) Mr John Powell Morschel
- 7 To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
- 8 To transact such other ordinary business as may be transacted at an Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

9 To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

That pursuant to Article 101 of the Articles of Association of the Company, Mr Ng Kee Choe be and is hereby appointed as a Director of the Company with effect from 16 April 2010.

10 To consider and, if thought fit, to pass with or without any modification, the following resolution as an Ordinary Resolution:

That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, authority be and is hereby given to the Directors of the Company to:

- (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) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (I) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (II) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

AS SPECIAL BUSINESS *(cont'd)*

- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

By Order of the Board

Low Sai Choy

Company Secretary

Singapore

16 March 2010

NOTES:

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 not less than 48 hours before the time appointed for holding the Meeting.

Additional information relating to the Notice of Annual General Meeting:

- 1 In relation to item 4 under the heading "As Ordinary Business", an independent Director, Mr Lim Chin Beng will be retiring under Section 153(6) of the Companies Act, Cap. 50 of Singapore at the Annual General Meeting and is not seeking re-appointment. Mr Lim will also cease to serve as Chairman of the Executive Resource and Compensation Committee and the Nominating Committee respectively. In relation to items 4(a) and (b) under the heading "As Ordinary Business", Dr Hu Tsu Tau will, upon re-appointment, continue to serve as Chairman of the Investment Committee and Mr Richard Edward Hale will, upon re-appointment, continue to serve as Chairman of the Audit Committee and a Member of the Risk Committee. Dr Hu and Mr Hale are considered as independent Directors.
- 2 In relation to item 5 under the heading "As Ordinary Business", an independent Director, Dr Victor Fung Kwok King will be retiring by rotation pursuant to Article 95 of the Articles of Association of the Company at the Annual General Meeting and is not seeking re-election. In relation to items 5(a) and (b) under the heading "As Ordinary Business", Mr Peter Seah Lim Huat will, upon re-election, continue to serve as Chairman of the Finance and Budget Committee and a Member of the Executive Resource and Compensation Committee and the Nominating Committee respectively; and Mr Liew Mun Leong will, upon re-election, continue to serve as a Member of the Investment Committee, the Finance and Budget Committee, the Nominating Committee, and the Corporate Disclosure Committee respectively. Mr Seah is considered as an independent Director. Mr Liew is the President and Chief Executive Officer of the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTES: (cont'd)

- 3 In relation to items 6(a) and (b) under the heading "As Ordinary Business", Article 101 of the Company's Articles of Association permits the Directors to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election. Dr Fu Yuning was appointed on 27 July 2009 and Mr John Powell Morschel was appointed on 1 February 2010 and they are both seeking re-election at the Annual General Meeting. Dr Fu and Mr Morschel are considered as independent Directors.
- 4 In relation to item 9 under the heading "As Special Business", it is proposed that Mr Ng Kee Choe be appointed as a Director of the Company with effect from 16 April 2010. Mr Ng is currently Chairman of Singapore Power Ltd, SP AusNet and NTUC Income Insurance Co-Operative Ltd and President-Commissioner of PT Bank Danamon Indonesia Tbk. Mr Ng is a member of Temasek Advisory Panel and International Advisory Council of China Development Bank. In addition, he is a director of Singapore Exchange Limited and Singapore Airport Terminal Services Limited. Mr Ng was the Vice-Chairman of DBS Group Holdings Ltd ("DBS"). He retired from his executive position in July 2003 after 33 years of service with DBS. For his contributions to public service, Mr Ng was awarded the Public Service Star award in 2001. The Board of Directors of the Company is pleased to recommend the appointment of Mr Ng, who brings with him wide ranging experience in major global companies which will be beneficial to the Board and the Company. Mr Ng will be considered an independent Director if appointed.
- 5 Ordinary Resolution No. 10 under the heading "As Special Business", if passed, will empower the Directors to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments from the date of the Annual General Meeting until the date of the next Annual General Meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution No. 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 10 is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares. The sub-limit of 10% for issues other than on a *pro rata* basis is below the 20% sub-limit permitted by the Listing Manual of the Singapore Exchange Securities Trading Limited. The Directors believe that the lower sub-limit of 10% would sufficiently address the Company's present need to maintain flexibility while taking into account shareholders' concerns against dilution.

CAPITALAND LIMITED

(Regn. No.: 198900036N)

(Incorporated in the Republic of Singapore)

PROXY FORM Annual General Meeting

IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's shares, this Summary Report/Annual Report is forwarded to them at the request of their CPF Approved Nominee and is sent solely FOR THEIR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the 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.

I/We, _____ (Name) _____ (NRIC/Passport Number)

of _____ (Address)

being a member/members of CapitalLand Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of the Company, to be held at the STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912, on Friday, 16 April 2010 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolutions Relating To:	For*	Against*
	ORDINARY BUSINESS		
1	Adoption of Directors' Report, Audited Financial Statements and Auditors' Report		
2	Declaration of a First and Final Dividend and a Special Dividend		
3	Approval of Directors' Fees		
4(a)	Re-appointment of Dr Hu Tsu Tau as Director		
4(b)	Re-appointment of Mr Richard Edward Hale as Director		
5(a)	Re-election of Mr Peter Seah Lim Huat as Director		
5(b)	Re-election of Mr Liew Mun Leong as Director		
6(a)	Re-election of Dr Fu Yuning as Director		
6(b)	Re-election of Mr John Powell Morschel as Director		
7	Re-appointment of Auditors		
8	Any Other Business		
	SPECIAL BUSINESS		
9	Appointment of Mr Ng Kee Choe as a Director of the Company		
10	Authority for Directors to issue shares and to make or grant instruments pursuant to Section 161 of the Companies Act, Cap. 50		

* Please indicate your vote "For" or "Against" with a "√" within the box provided.

Dated this _____ day of _____ 2010.

Signature(s) of Member(s) or Common Seal

Total Number of Shares Held

✂ IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE.

Affix
postage
stamp

CAPITALAND LIMITED
c/o M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906

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NOTES TO PROXY FORM:

- 1 A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2 Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
- 3 Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the Meeting.
- 4 A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument of proxy will be deemed to relate to all the shares held by the member.
- 5 The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, not less than 48 hours before the time appointed for holding the Meeting.
- 6 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 8 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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MAIN CONTACTS

CapitaLand Limited

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Tel +65 6823 3200
Fax +65 6820 2202
www.capitaland.com
ask-us@capitaland.com
(Reg. No. 198900036N)

CapitaLand Residential Singapore Pte Ltd

8 Shenton Way
#21-01
Singapore 068811
Tel +65 6820 2188
Marketing Hotline +65 6826 6800
Fax +65 6820 2208
www.capitalandresidential.com
ask-us@capitalandresidential.com
(Reg. No. 200102075W)

CapitaLand China Holdings Pte Ltd

268 Xizang Road (Middle)
#19-01 Raffles City Shanghai
200001 Shanghai
People's Republic of China
Tel +86 21 3311 4633
Fax +86 21 6340 3733
www.capitaland.com.cn
ask-us@capitaland.com.cn
(Reg. No. 199302460C)

CapitaLand Commercial Limited

39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel +65 6536 1188
Fax +65 6536 3788
www.capitalandcommercial.com
ask-us@capitalandcommercial.com
(Reg. No. 197801869H)

CapitaMalls Asia Limited

39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel +65 6536 1188
Fax +65 6536 3884
www.capitamallsasia.com
ask-us@capitamallsasia.com
(Reg. No. 200413169H)

The Ascott Limited

8 Shenton Way
#13-01
Singapore 068811
Tel +65 6220 8222
Fax +65 6227 2220
www.the-ascott.com
ask-us@the-ascott.com
(Reg. No. 197900881N)

CapitaLand ILEC Pte. Ltd.

39 Robinson Road
#16-01 Robinson Point
Singapore 068911
Tel +65 6622 6000
Fax +65 6720 8608
www.capitalandilec.com
ask-us@capitalandilec.com
(Reg. No. 199701358Z)

CapitaLand Financial Limited

39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel +65 6536 1188
Fax +65 6533 5182
www.capitalandfinancial.com
ask-us@capitalandfinancial.com
(Reg. No. 200308451M)

Australand Holdings Limited

Level 3, Building C
Rhodes Corporate Park
1 Homebush Bay Drive
Rhodes NSW 2138
Australia
Tel +61 (02) 9767 2000
Fax +61 (02) 9767 2900
www.australand.com.au
info@australand.com.au
(Reg. No. ABN 12008443696)

CapitaMall Trust Management Limited

39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel +65 6536 1188
Fax +65 6536 3884
www.capitamall.com
ask-us@capitamall.com
(Reg. No. 200106159R)

CapitaCommercial Trust Management Limited

39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel +65 6536 1188
Fax +65 6533 6133
www.cct.com.sg
ask-us@capitacommercial.com
(Reg. No. 200309059W)

Ascott Residence Trust Management Limited

8 Shenton Way
#13-01
Singapore 068811
Tel +65 6389 9388
Fax +65 6389 9399
www.ascottreit.com
ask-us@ascottreit.com
(Reg. No. 200516209Z)

CapitaRetail China Trust Management Limited

39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel +65 6536 1188
Fax +65 6536 3884
www.capitaretailchina.com
ask-us@capitaretailchina.com
(Reg. No. 200611176D)

Quill Capita Management Sdn Bhd

Suite 11.01A, Level 11
Menara Citibank
No. 165 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel +603 2380 6288
Fax +603 2380 6289
www.qct.com.my
ask-us@qct.com.my
(Reg. No. 737252-X)

Registrar

M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906
Tel +65 6227 6660
Fax +65 6225 1452
(Reg. No. 19701676D)

Auditors

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel +65 6213 3388
Fax +65 6225 6157
Engagement Partner since
financial year ended
31 December 2005:
Eng Chin Chin

This Annual Report to Shareholders may contain forward looking statements that involve risks and uncertainties. Actual future performance, outcome and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management of future events.

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CAPITALAND LIMITED

168 Robinson Road, #30-01
Capital Tower, Singapore 068912
Tel +65 6823 3200 Fax +65 6820 2202
(Reg. No. 198900036N)

www.capitaland.com