



Clarity

Insight &
Foresight



Insight & Foresight

CapitaLand is a leader in the real estate industry in Asia. It leverages growth opportunities driven by consumption and urbanisation. Its consolidated structure and core competencies allow the Group to focus on integrated, mixed-use opportunities and build scale across its six city clusters in the core markets of Singapore and China. Deep knowledge and experience give CapitaLand the insight and foresight to fine-tune operational excellence while its leading position provides the clearest possible perspective on future drivers of growth opportunities.

Clarity

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

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Corporate Profile

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

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

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

Mission & Vision

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

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

Core Values

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

Financial

Highlights FY 2013

Profit Attributable
to Shareholders

S\$849.8m

Operating
PATMI

S\$527.7m

Return on
Shareholders' Funds

5.5%

Dividend
per share

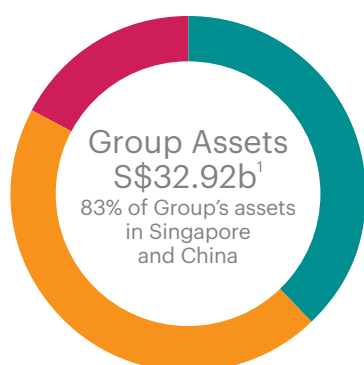
8cents

Group Managed
Real Estate Assets

S\$64.64b

Revenue Under
Management

S\$10.03b

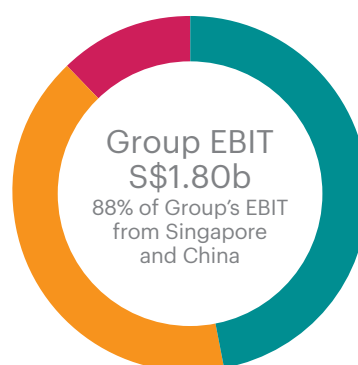


Singapore	38%
China*	45%
Others**	17%

¹ Excludes treasury cash

* China includes Hong Kong

** Others include Australia, Europe and Other Asia



Singapore	47%
China*	41%
Others**	12%

* China includes Hong Kong

** Others include Australia, Europe and Other Asia

Letter to Shareholders

CapitaLand is cautiously optimistic for 2014 as the global economy continues its recovery. The Group completed its strategic review in 2013 and will now build on its various growth platforms already in place while exploring new opportunities. CapitaLand will continue to deepen its presence in the two core markets of Singapore and China, as well as entrench its leadership position in integrated or mixed-use developments in line with its core competencies and macro trends in Asia.



(Left) Lim Ming Yan, President & Group CEO | (Right) Ng Kee Choe, Chairman

DEAR SHAREHOLDERS,

In 2013, following a strategic review, CapitaLand was reorganised and streamlined into four business units – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia Limited (CMA) and The Ascott Limited (Ascott). CapitaLand Singapore and CapitaLand China concentrate in the residential, office and integrated or mixed-use development businesses, while CMA and Ascott continue their focus in the shopping mall and serviced residence businesses respectively. As part of the streamlining, a common Chinese name, 凯德集团, was adopted in both Singapore and China for greater clarity and consistency.

The streamlined organisation allows the Group to sharpen its focus, and better leverage and harness synergies across the four core business units; achieve greater economies of scale and enhance its competitive advantage in integrated and mixed-use development projects, and deepen its leading positions in shopping malls and serviced residences.

In the next three to five years, CapitaLand aims to deliver a sustainable return on equity (ROE) in excess of 8%.

KEY FINANCIAL HIGHLIGHTS

For the year ended 31 December 2013, the Group posted revenue of S\$3.98 billion, earnings before interest and taxes (EBIT) of S\$1.80 billion, and a 43% increase in operating net profit after tax and minority interest (PATMI) to S\$527.7 million from 2012. PATMI of S\$849.8 million was however lower compared to 2012, due mainly to a one-time accounting

loss on divestment of 20% stake in Australand and higher impairment costs.

FOCUS ON CORE MARKETS OF SINGAPORE AND CHINA

For the core markets of Singapore and China, CapitaLand further sharpened its focus on the six clusters, namely, Singapore, Beijing-Tianjin, Shanghai-Hangzhou-Suzhou-Ningbo, Guangzhou-Shenzhen, Chengdu-Chongqing, and Wuhan. The sharpened focus allows the Group to take advantage of Asia's growth, urbanisation and consumer demand trends.

In 2013, CapitaLand invested a total of S\$3.70 billion in new projects, with about 90% of the investments in Singapore and China. Its businesses in the two core markets of Singapore and China accounted for 83% of the Group's total assets (excluding treasury cash). China, with one of the highest rates of economic growth globally, is the Group's largest market with assets amounting to S\$14.91 billion or 45% of Group's total assets, as at 31 December 2013. Assets in the Singapore portfolio stood at S\$12.52 billion or 38% of the Group's total assets.

WELL-DIVERSIFIED PROPERTY ASSET PORTFOLIOS

The property asset portfolios in Singapore and China are well-diversified. In Singapore, residential, commercial (which includes mixed-use developments), shopping malls and serviced residences make up 32%, 18%, 42%, and 7% of the portfolio respectively. In China, the residential, commercial, shopping malls and serviced residences comprise 34%, 27%,

s\$3.98b
Group Revenue

For the year ended 31 December 2013, the Group posted revenue of S\$3.98 billion, EBIT of S\$1.80 billion, and a 43% increase in operating PATMI to S\$527.7 million

s\$3.70b
New Investments

In 2013, CapitaLand invested a total of S\$3.70 billion in new projects, with about 90% of the investments in Singapore and China

Letter to Shareholders

Singapore remains as CapitaLand's most profitable market in 2013, accounting for 47% of Group EBIT, while China contributed 41%

32%, and 6% of the portfolio respectively. Singapore remains as CapitaLand's most profitable market in 2013, accounting for 47% of Group EBIT, while China contributed 41%.

CapitaLand is positive about the long-term prospects of its two core markets of Singapore and China, both of which have strong economic fundamentals and healthy consumer demand. To further enhance value from these two core markets, the Group has deepened its expertise across the entire real estate value chain spanning from land acquisition, development and operation to capital management.

EMPHASIS ON INTEGRATED OR MIXED-USE DEVELOPMENTS

To enhance its competitive advantage, CapitaLand focuses

on integrated or mixed-use developments. In Singapore, new mixed-use developments include Westgate which consists of the Westgate office tower and shopping mall, and Bedok Mall and Bedok Residences. In China, the eight Raffles City projects are a testament to CapitaLand's leading position in integrated developments, four of which are operational, namely, Raffles City Shanghai, Raffles City Beijing, Raffles City Chengdu and Raffles City Ningbo. Four more Raffles City projects in Hangzhou, Changning, Shenzhen and Chongqing are slated to open from 2015 to 2018.

In June 2013, CapitaLand China acquired a 70% stake in a new mixed-use development site with a total GFA of approximately 105,000 sq m in Hanzhonglu, Zhabei District, Shanghai.



Bedok Residences and Bedok Mall, Singapore



Raffles City Shenzhen, China

The Group intends to develop residential, office and retail components which sit strategically above an interchange station for three metro lines (Line 1, 12 and 13) located within the Inner Ring of Shanghai. The project is expected to be launched in 2014. CapitaLand China is also engaged in the urban planning and renewal of the Datansha Island in Guangzhou working with the

Liwan District government. The project has a land area of 3.55 sq km and will consist of residential and commercial properties.

SOLID OPERATING PERFORMANCE

CapitaLand's core businesses remained robust in 2013, despite overall challenging market conditions. In 2013, CapitaLand Singapore achieved

To enhance its competitive advantage, CapitaLand focuses on integrated or mixed-use developments

Letter to Shareholders



In 2013, CapitaLand Singapore achieved new record sales of 1,260 private residential units or S\$2.44 billion in sales value, almost twice the number of units sold in 2012

new record sales of 1,260 private residential units or S\$2.44 billion in sales value, almost twice the number of units sold in 2012.

This has significantly de-risked the Group's Singapore residential portfolio and enabled the Group to readily undertake any new opportunities that may arise. As part of the strategy to improve operational excellence, CapitaLand Singapore reduced the time-to-market for new projects and "right-sized" the units to cater to changing consumer needs. In September 2013, Sky Vue in Bishan was launched, and 433 or 86% of the 505 units released were sold, making it the top selling project in Singapore for that month.

In China, the Group refined its overall residential strategy to focus on private housing for the mass

market, first-time homebuyers and upgraders. Surbana Corporation's (Surbana) residential development business and CapitaValue Homes were successfully integrated into CapitaLand China. This move not only complements the Group's multi-sector business in China, but also significantly adds to CapitaLand China's residential pipeline with five township development projects located in Chengdu, Shenyang, Wuxi and Xi'an. CapitaLand has a total GFA of 22 million sq m in China, cementing its position as the largest foreign real estate developer (in terms of GFA).

In 2013, CapitaLand China sold more than 7,600 residential units including those from the township business with a total sale value of RMB 8.5 billion (S\$1.7 billion). The Group handed

over 8,300 residential units, mainly from township and residential projects including Dolce Vita in Guangzhou; iPark in Shenzhen; The Loft in Chengdu and Imperial Bay in Hangzhou.

The Group's shopping mall business held mainly through its subsidiary CMA, continued to perform well in key markets of Singapore and China, achieving higher shopper traffic and net property income. CMA opened four new malls - Westgate and Bedok Mall in Singapore, and CapitaMall Meilicheng and CapitaMall Jinniu (Phase II) in Chengdu, China. The malls in Malaysia, Japan and India maintained their stable performance. CMA also announced its partnership with Changi Airport Group to jointly develop a mixed-use development (Project Jewel) at Changi Airport. The project is expected to have a total GFA of approximately 134,000 sq m and total development cost (including land cost) of approximately S\$1.47 billion.

Ascott, the Group's wholly-owned serviced residence business, continued to strengthen its position as the world's largest international serviced residence owner-operator with more than 33,000 apartment units across 82 cities and more than 20 countries. In its key market of China, Ascott has, through acquisitions and new management contracts, grown to a substantial scale of more than 10,000 apartment units. This has enhanced Ascott's leadership position as the largest international serviced residence owner-operator in China with 56 properties across 20 cities.

New asset enhancement initiatives carried out at properties such as Ascott Kuala Lumpur, Ascott Jakarta, Citadines Toison d'or Brussels, Somerset Xu Hui Shanghai and Citadines Suites Louvre Paris contributed to improving overall revenue. To further drive growth, Ascott Beijing was also repositioned as Ascott's first branded residence in China for strata sale.

More than 10,000 Apartment Units in China

In its key market of China, Ascott has, through acquisitions and new management contracts, grown to a substantial scale of more than 10,000 apartment units



Ascott Raffles City Chengdu, China

3.6 years Average Debt Maturity Profile

CapitaLand's average debt maturity profile remains stable at 3.6 years

Besides the four core businesses, CapitaLand continued to nurture and enhance the value of three key investments namely Australand, CapitaLand Vietnam and StorHub. The Group also continued its active asset management strategy leveraging its REITs and private equity fund platforms.

In November 2013, CapitaLand sold 20% of its Australand stake. Post-placement, Australand's free float increased by approximately 50% and its ranking in the ASX200 and ASX200 A-REIT indices improved significantly. Australand was also included in the FTSE EPRA/NAREIT Global Real Estate Index.

PRUDENT CAPITAL MANAGEMENT

As of 31 December 2013, CapitaLand maintained a strong balance sheet. About 9% of the Group's total debt is due within one year and its average debt maturity profile remains stable at 3.6 years.

As part of the Group's active capital management strategy, CapitaLand issued two new convertible bonds which totaled approximately S\$1.45 billion, and simultaneously bought back a total of approximately S\$1.55 billion of existing convertible bonds in 2013. Through both exercises, significant interest savings were achieved and the debt maturity was further extended. It is also noteworthy that the S\$800 million 1.95% due 2023 convertible bond had won all major awards for a convertible bond issue in 2013 from FinanceAsia, IFR Asia, EuroWeek Asia/Asiamoney and The Asset.

In addition, the placement of 20% stake in Australand has enabled the

Group to reallocate the placement proceeds to its core markets of Singapore and China.

IMPROVING SHAREHOLDERS' RETURN AND VALUE

To improve its current ROE, CapitaLand is focused on increasing the profitability of its core businesses and the development of integrated or mixed-use projects. In 2013, the Group unlocked and recycled capital by divesting stabilised or non-core assets such as its entire stake in Technopark@Chai Chee and its one-third interest in investment properties in the United Kingdom. The Group also sold Westgate Office Tower and commenced strata sale of 81 apartment units in Somerset Grand Fortune Garden, Beijing.

Going forward, the Group will continue to adopt a well-balanced investment approach with an emphasis on integrated or mixed-use developments to ensure future growth across all the property asset classes.

DELIVERING SUSTAINABLE RETURNS

To ensure sustainable growth in the Group's ROE in the long run, the Group will maintain a judicious balance between operating assets that are contributing to the current income, and projects under development which provide for future growth.

CapitaLand also intends to increase and maintain the proportion of cash profit to more than half of total PATMI. This is in line with the Group's policy to grow the core dividend for shareholders on a sustainable basis. For FY 2013, the Board has



Ya'an Post-Earthquake Rebuilding Project, Sichuan, China

recommended a final ordinary dividend of 8 Singapore cents a share compared with 7 cents previously, which represents a 14% increase.

DEVELOPING HUMAN CAPITAL

CapitaLand recognises the importance of attracting and recruiting the right talent. The Group actively identifies talent both internally and externally for future leadership succession and places great emphasis on building bench strength. In-house training and development programmes are conducted by the CapitaLand Institute of Management and Business, and Ascott Centre for Excellence. For employees who have been identified to assume senior positions, CapitaLand offers opportunities for them to pursue management courses at external

renowned universities. The Group has a well-trained pool of talent ready to bring the Group to the next phase of development. To better attract, motivate and retain talent, CapitaLand believes in rewarding employees with competitive compensation and benefits as well as providing a positive work environment.

CORPORATE SOCIAL RESPONSIBILITY

The Group remains committed to the sustainable development of its business, the environment and the well-being of stakeholders and communities in which it operates. As part of CapitaLand's corporate social responsibility efforts and to commemorate its 13th anniversary, 200 senior management and staff helped to refurbish homes and create study corners for 20 underprivileged

children during the inaugural CapitaLand Volunteer Day on 15 November 2013. Other community development initiatives include the launch of Kids' Food Fund, where CapitaLand Hope Foundation partnered the People's Association to provide children beneficiaries with at least one healthy meal every school day in 2014. In the region, CapitaLand staff participated in volunteer work in the Sichuan Post-Earthquake Rebuilding Project as well as the "My Schoolbag" programme aimed at helping underprivileged children. CapitaLand has been accorded the China Best Corporate Citizen Award by the China Committee of Corporate Citizenship and CCTV2 for six consecutive years since 2008.

Letter to Shareholders

CapitaLand will continue to deepen its presence in the two core markets of Singapore and China

The Group aims to be a leader in sustainability. It is ranked in the *Global 100 Most Sustainable Corporations in the World* by Corporate Knights and listed in The Sustainability Yearbook. CapitaLand is also named the Regional Sector Leader for Asia and the Global Sector Leader in the 'Diversified' property category by the Global Real Estate Sustainability Benchmark. The Group is listed in the Dow Jones Sustainability World Index (DJSI World) 2013/2014 and the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) 2013/2014, and remains the first and largest real estate company in Asia to achieve ISO 14001 and OHSAS 18001 certification for its Environmental, Health and Safety Management System covering 15 countries since 2012.

BOARD

Mrs Arfat Pannir Selvam and Professor Kenneth Stuart Courtis, who have served with distinction on the CapitaLand Board for eight and seven years respectively, will not be seeking re-election as Directors at the forthcoming Annual General Meeting. On behalf of the Board and staff, we extend our deep appreciation to Mrs Selvam and Professor Courtis for all their invaluable contributions and wish them well in their future endeavours.

LOOKING FORWARD

CapitaLand is cautiously optimistic for 2014 as the global economy continues its recovery. The Group will build on its various growth platforms while exploring new opportunities. CapitaLand will continue to deepen its presence in the two core markets of Singapore and China, as well as strengthen its leadership position in integrated or mixed-use developments, shopping malls and serviced residences. Coupled with a strong balance sheet and prudent capital management, the Group is well-positioned for its next phase of sustainable growth.

On behalf of the Board and management, we would like to thank all staff, our shareholders, customers, business partners and associates for their continued support for the Group.

NG KEE CHOE

Chairman

LIM MING YAN

President & Group CEO

28 February 2014

Managing Sustainability

SUSTAINABILITY COMMITMENT

CapitaLand's sustainability strategy is founded based on its credo 'Building People'. CapitaLand is committed to improve the economic, environmental and social well-being of its stakeholders in executing its development projects and managing its operations. In a rapidly changing environment, it actively embraces innovation to ensure commercial viability without compromising the environment for future generations.

CapitaLand upholds high standards of corporate governance and transparency to safeguard shareholders' interests, and has an adequate and effective enterprise risk management system to enhance its business resilience and agility. CapitaLand's proactive approach towards environmental, health and safety management, incorporating universal design into its developments ensures that its properties are future-proofed and sustainable. Policies and guidelines

are also established for the efficient use of energy, water and other resources.

CapitaLand's integrated human capital strategy aims to recruit, develop and motivate employees to drive growth for the company. Community development is an important component of CapitaLand's commitment to sustainability. Its social investment aims to build a sustainable future for underprivileged children through corporate philanthropy and employee volunteerism.

For its efforts, CapitaLand was listed in the *Global 100 Most Sustainable Corporations in the World*, Sustainability Yearbook, Dow Jones Sustainability World Index and Dow Jones Sustainability Asia Pacific Index.

SUSTAINABILITY REPORTING

CapitaLand is one of the first companies in Singapore to voluntarily publish its Sustainability Reports according to the Global

Reporting Initiatives (GRI) Guidelines. It is committed to cover its Group-wide property portfolio in more than 110 cities in over 20 countries.

By benchmarking against an international standard and framework with external validation, as well as top management's commitment and a set of Group-wide Green Buildings Guidelines, CapitaLand has overcome some of the challenges to sustainability reporting posed by its diversified geographical presence.

MOVING AHEAD

CapitaLand will enhance its sustainability efforts with a new framework. It will incorporate its existing structures into the new framework led by a Sustainability Council which comprises members of CapitaLand's Executive Management Committee. It will be supported by a Sustainability Steering Committee which will oversee two work teams to ensure the Group's continued progress and improvement in the areas of environment, social and governance.

CapitaDNA (MISSION + 6 CORE VALUES)

EMPLOYEES

Train employees to achieve optimal level of performance, aligning personal goals with the company's performance and creating a positive work environment for all

INVESTORS

Constantly create sustainable shareholder value

CUSTOMERS

Constantly deliver innovative and quality products and services

BUSINESS PARTNERS

Be fair and reasonable in actions and dealings

SUPPLIERS AND CONTRACTORS

Be fair and reasonable in actions and dealings

COMMUNITY

Contribute to the societies in which CapitaLand operates

GOVERNMENT/ NATIONAL AGENCIES

Contribute positively to public policy making process

ENVIRONMENT

Minimise environmental impact and resource consumption and to be a leader in green buildings

Year in Brief

2013

JANUARY

- The Group simplified its organisational structure into four main business units – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia and The Ascott Limited, to sharpen its focus on key markets.
- CapitaMalls Asia was awarded a prime site at Gutian in Wuhan, China, to develop its fourth mall in the city.
- Ascott formed strategic alliance with Yuexiu Property in Guangzhou, China, to drive its expansion plans and secured contracts in Guangzhou to manage two more serviced residences.

MARCH

- 96 CapitaLand properties across 40 cities in China participated in WWF's Earth Hour initiative.
- Ascott opened its first Citadines properties in Indonesia and Malaysia – Citadines Rasuna Jakarta and Citadines Uplands Kuching respectively.
- Ascott opened Citadines Suites Louvre Paris, its first boutique-style luxury residence in Paris.

MAY

- Ascott entered Wuxi, China, by securing two management contracts to manage the 134-unit Ascott Central Wuxi and 169-unit Somerset Wuxi slated to open in the second half of 2015.
- Ascott entered Saudi Arabia by securing a management contract of its first premier serviced residence in Riyadh, Saudi Arabia. The 230-unit Ascott Olaya Riyadh is slated to open in 2015.

FEBRUARY

- CapitaLand China entered into a cooperation agreement in the urban renewal of the Datansha Island in Liwan District, Guangzhou.
- CapitaLand Malaysia signed an agreement with Iskandar Waterfront Sdn Bhd and Temasek to develop a S\$3.2 billion waterfront township in Danga Bay, Iskandar Malaysia.
- Ascott won a contract to manage Somerset West Central Hanoi which will open in 2016.
- Ascott strengthened its presence in Iskandar Malaysia with another contract to manage Somerset Medini Iskandar.

APRIL

- Surbana Corporation restructured its residential development and consultancy businesses for greater focus to pursue growth, with the former integrated into CapitaLand China.
- CapitaLand held a corporate launch ceremony in Wuhan to celebrate the deepening of its presence in Wuhan, the fifth city in China where CapitaLand has a complete value chain.
- CapitaMalls Asia opened CapitaMall Meilicheng in Chengdu, China.

JUNE

- CapitaLand acquired a 70% stake in Shanghai Guang Chuan Property to develop a 110,000 sq m mixed-use development comprising residential, office and retail components in Hanzhonglu, Zhabei District, within the inner ring of Shanghai, China.
- CapitaLand successfully bid for a 37,441 sq m prime residential site in Coronation Road to be developed into a premium landed housing development comprising semi-detached houses and bungalows.
- CapitaMall Trust completed the first phase of IMM Building's repositioning as a value-focused mall, making it Singapore's largest outlet mall with more than 55 outlet stores.

JULY

- CapitaCommercial Trust announced a S\$40.0 million asset enhancement initiative at Capital Tower which is expected to be completed in mid-2015.

AUGUST

- Ascott acquired an operating serviced residence located in a prime area along Connaught Road West in Hong Kong Island for HK\$462.3 million (approximately S\$74.9 million).
- Ascott secured contracts to manage three more properties in China, including its first serviced residence in Hefei, the 250-unit Somerset Swan Lake Hefei.

SEPTEMBER

- CapitaLand Hope Foundation donated S\$735,000 to establish a special fund for underprivileged children under the China Foundation for Poverty Alleviation.
- CapitaLand set a new benchmark for city-fringe living in Bishan with the launch of Sky Vue. It was the top-selling project in Singapore for September 2013.
- CapitaMalls Asia opened the second phase of CapitaMall Jinniu in Chengdu, China.

OCTOBER

- CapitaLand divested its non-core asset of Technopark@Chai Chee for a cash consideration of S\$193.0 million.
- CapitaMalls Asia broke ground for CapitaMall Xinduxin, its first shopping mall in Qingdao, China.
- CapitaMalls Asia commenced construction of Melawati Mall, a joint development with Sime Darby Property. It is CapitaMalls Asia's sixth mall and first greenfield development in Malaysia.
- Ascott extended its footprint to Thailand's Eastern Seaboard economic region with a contract to manage Citadines Grand Central Sri Racha, Chonburi province.

NOVEMBER

- CapitaLand Group held its first CapitaLand Volunteer Day in conjunction with its 13th anniversary.
- CapitaMalls Asia acquired CapitaMall SKY+ in Guangzhou, China. It marked a strategic entry into a first-tier city in South China, bringing the number of CapitaMalls in the region to eight.
- CapitaMalls Asia broke ground for its shopping mall at Gutian in Wuhan, China, a mere 10 months after being awarded the site in January.
- Ascott crossed the milestone of 10,000 apartment units in China.

DECEMBER

- CapitaMalls Asia formed a joint venture with Changi Airport Group to develop Project Jewel, an iconic mixed-use development at Changi Airport in Singapore.
- CapitaMalls Asia opened two new CapitaMalls in Singapore – Westgate and Bedok Mall.
- CapitaMalls Asia commenced construction of its integrated development in the Luwan district of Shanghai, China.
- CapitaRetail China Trust acquired CapitaMall Grand Canyon in Beijing, China – its fifth mall in the capital and 10th in China.

Awards & Accolades

CORPORATE AWARDS

CAPITALAND LIMITED

Business Excellence

Best Developer in Singapore

Euromoney Real Estate Awards 2013

Best Mixed-Use Developer in Singapore

Euromoney Real Estate Awards 2013

Best Investment Manager in China

Euromoney Real Estate Awards 2013

Best Investment Community Meetings

IR Magazine South East Asia Awards 2013

Best in Sector (Real Estate)

IR Magazine South East Asia Awards 2013

Arthur Lang, Group CFO

Best Investor Relations by a CFO

IR Magazine South East Asia Awards 2013

Grand Prix for Best Overall Investor Relations

IR Magazine South East Asia Awards 2013

Most Organised Investor Relations

Alpha Southeast Asia Institutional Investor Corporate Awards 2013

Best Senior Management IR Support

Alpha Southeast Asia Institutional Investor Corporate Awards 2013

Best Convertible Bond

The Asset Asia Awards

Global Top 50

IR Magazine

Asia Top 50 (ranked 2nd)

IR Magazine

Structured Equity Issue of the Year

IFR Asia Awards

Best Equity-linked Deal

FinanceAsia

Best Equity-linked Offering

EuroWeek Asia/Asiamoney Awards 2013

Arthur Lang, Group CFO Asia's Best CFOs (Property) Ranked 2nd (sell-side)

Institutional Investor 2013 All-Asia Executive Team rankings

Best Overall Singapore In-House Legal Team of the Year

Asian Legal Business Law Awards 2013

Construction & Real Estate In-House Team of the Year

Asian Legal Business Law Awards 2013

Top 10 ASEAN Enterprises Entering China Award

China-ASEAN Business Council

Sustainability

Global 100 Most Sustainable Corporations in the World

Corporate Knights

Dow Jones Sustainability World Index 2013/2014

Dow Jones Sustainability Indexes in collaboration with RobecoSAM

Dow Jones Sustainability Asia Pacific Index 2013/2014

Dow Jones Sustainability Indexes in collaboration with RobecoSAM

Listed in The Sustainability Yearbook 2013

RobecoSAM and KPMG International

Regional Sector Leader (Asia)

Global Real Estate Sustainability Benchmark

Global Sector Leader (Diversified Property Category)

Global Real Estate Sustainability Benchmark

Strongest Adherence to Corporate Governance

Alpha Southeast Asia Institutional Investor Corporate Awards 2013

Best Strategic

Corporate Social Responsibility

Alpha Southeast Asia Institutional Investor Corporate Awards 2013

BCA Quality Excellence Award - Quality Champion for Developers (Gold)

Building and Construction Authority, Singapore

Best Corporate Governance

Corporate Governance Report Awards

Governance & Transparency Index

Ranked 6th out of 664 companies

CPA Australia

Best Corporate Social Responsibility Asia's Best Managed Companies (Singapore)

FinanceAsia

2013 ET Carbon Ranking Leader Award

Environmental Investment Organisation

Golden Circle Award

(Overall Most Transparent Company)

Securities Investors Association (Singapore) Investors' Choice Awards 2013

Most Transparent Company Award (Real Estate)

Securities Investors Association (Singapore) Investors' Choice Awards 2013

Singapore Corporate Governance Award (Big Capitalisation) - Merit Award

Singapore Investors Association (Singapore) Investors' Choice Awards 2013

Employer Brand to Watch

Ranked 7th among 75 of the largest companies based in Singapore

Randstad Award 2013 (Singapore)

CAPITACOMMERCIAL TRUST
FTSE4Good Global Index

Added to the MSCI Global Standard Indices

Silver Award for Best Annual Report under REITS and Business Trust Category
Singapore Corporate Awards 2013

CAPITALAND COMMERCIAL MANAGEMENT PTE LTD
Singapore Service Class (S-Class) 2013
Spring Singapore

CAPITALAND CHINA
Ranked as Most Valuable Commercial Real Estate in China 2013
The Economic Observer

Outstanding Corporate Citizen of China 2013
China Association of Social Work

The 11th Golden Lotus Cup Chengdu Real Estate Enterprise of the Year Gold Prize 2013
Sichuan Daily Press Group

Ranked as 2013 Top 10 Real Estate Enterprises in Public Welfare
West China City Daily

CAPITAMALLS ASIA LIMITED
Best Retail Developer in Asia
Euromoney Real Estate Awards 2013

Best Retail Developer in China
Euromoney Real Estate Awards 2013

Best Retail Developer in Singapore
Euromoney Real Estate Awards 2013

RLI Developer
Retail and Leisure International (RLI) Awards

Best Corporate Brand Award
China Finance Summit

Most Influential Developer in China
China Commercial Real Estate Association

Singapore Corporate Governance Award (Big Capitalisation) - Merit Award

Securities Investors Association (Singapore) Investors' Choice Awards 2013

CAPITAMALL TRUST
Most Transparent Company Award (REITs & Business Trusts Category) - Winner

Securities Investors Association (Singapore) Investors' Choice Awards 2013

Singapore Corporate Governance Award (REITs & Business Trusts Category) - Winner

Securities Investors Association (Singapore) Investors' Choice Awards 2013

Certificate of Excellence in Investor Relations
IR Magazine South East Asia Awards 2013

THE ASCOTT LIMITED
Best Serviced Apartment Company
Business Traveller UK Awards 2013

Best Serviced Residence Brand in Asia-Pacific
Business Traveller Asia-Pacific Awards 2013

Best Serviced Residence Brand in China
Business Traveller China Awards 2013

Best Serviced Apartment/Residence Operator
DestinAsian Readers' Choice Awards 2013

Best Serviced Residence Operator in China
TTG China Travel Awards 2013

Best Serviced Residence Operator of China
China Hotel Starlight Awards

2013 China's Most Popular Serviced Residence Brand
10th Golden-Pillow Award of China Hotels

Best Serviced Residence Group
Travel Weekly China Travel & Meetings Industry Awards 2013

Best Recommended Serviced Apartment
Travel + Leisure 2013 China Travel Awards

Excellent Performance (Somerset Serviced Residence, Vietnam)
Guide Awards 2012-2013, The Guide Magazine

Business Superbrands
Superbrands Singapore 2013

Best Mobile Site (Gold) & Best User Experience (Bronze)
Marketing Magazine Mob-Ex Awards 2013

Best Serviced Residence
Golden Dragon Award 2013, Vietnam Economic Times

World's Leading Serviced Apartment Brand
World Travel Awards

Asia's Leading Serviced Apartment Brand
World Travel Awards

Europe's Leading Serviced Apartment Brand
World Travel Awards

China's Leading Serviced Apartment Brand
World Travel Awards

Corporate Social Responsibility Award for Outstanding Practice
Summit on Reform, Development and Social Responsibility in China

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
Best Annual Report (REITs & Business Trusts) - Bronze Award
Singapore Corporate Awards 2013

RESIDENTIAL

SINGAPORE

Marine Parade Condominium

Development

Green Mark Gold^{PLUS}

Building and Construction Authority, Singapore

Mixed Development at 15 Cairnhill Road (Residential component)

Green Mark Gold^{PLUS}

Building and Construction Authority, Singapore

d'Leedon

Universal Design Mark Gold^{PLUS}

(design)

Building and Construction Authority, Singapore

The Interlace

Universal Design Mark Gold^{PLUS}

(design)

Building and Construction Authority, Singapore

The Interlace

Landscape Excellence Assessment

Framework Certification Scheme

National Parks Board

Sky Habitat

Universal Design Mark Gold (design)

Building and Construction Authority, Singapore

Sky Vue

Universal Design Mark Gold (design)

Building and Construction Authority, Singapore

Sky Vue

People's Choice Awards

(Most Popular Singapore

Property Award)

iProperty.com

The Nassim

Universal Design Mark Gold (design)

Building and Construction Authority, Singapore

CHINA

Dolce Vita (C1-C8), Guangzhou

Green Mark Certified (Provisional)

Building and Construction Authority,

Singapore

Riverside Ville, Foshan

Green Mark Certified

US Green Building Council

Beaufort, Beijing

Leadership in Energy and

Environmental Design (LEED) Certified

US Green Building Council

COMMERCIAL

SINGAPORE

CapitaGreen

Universal Design Mark Gold^{PLUS} (design)

Building and Construction Authority,

Singapore

Capital Tower

Green Mark Platinum

Building and Construction Authority,

Singapore

Golden Shoe Car Park

Green Mark Gold^{PLUS}

Building and Construction Authority,

Singapore

SHOPPING MALLS

SINGAPORE

ION Orchard

International FIABCI Prix d'Excellence

Gold Award (Retail Category)

Plaza Singapura

RLI Shopping Centre Renovation

Retail and Leisure International

(RLI) Awards

The Star Vista

Best Retail and Leisure Development

(Silver Award)

MIPIM Asia Awards

The Star Vista

RLI International Retail and Leisure

Destination (Highly Commended)

Retail and Leisure International

(RLI) Awards

JCube

Universal Design Mark Gold^{PLUS}

Building and Construction Authority,

Singapore

Tampines Mall

Green Mark Gold

Building and Construction Authority,

Singapore

CHINA

CapitaMall Shawan, Chengdu

Retail Responsibility Award

Second Annual Chengdu Retail Awards

CapitaMall Wusheng, Wuhan

City Advancement Award

Mall China Golden Mall Awards

CapitaMall Xuefu, Harbin

Urban Shopping Mall Award

Mall China Golden Mall Awards

Suzhou integrated development, Suzhou

Gold-level Pre-Certification

Leadership in Energy and

Environmental Design (LEED)

US Green Building Council

CapitaMall Xindicheng, Xi'an

Green Mark Certified (Provisional)

Building and Construction Authority,

Singapore

CapitaMall Fucheng (Phase 2), Mianyang

Green Mark Certified (Provisional)

Building and Construction Authority,

Singapore

MALAYSIA

Gurney Plaza, Penang

Best Shopping Experience

Excellence Award

Expatriate Lifestyle Readers' Choice

Best of Malaysia Awards

The Mines, Selangor

Green Mark Gold (Provisional)

Building and Construction Authority,

Singapore

SERVICED RESIDENCES

SINGAPORE

Ascott Raffles Place Singapore

Best Serviced Residence in Asia-Pacific
Business Traveller Asia-Pacific Awards 2013

Ascott Raffles Place Singapore

Top 25 Hotels in Singapore
TripAdvisor Travellers' Choice Awards 2013

CHINA

Ascott Raffles City Chengdu

China's Outstanding Serviced Apartment
2013 Hotel Industry Development Summit

Ascott IFC Guangzhou

Best Serviced Apartment of China
8th China Hotel Starlight Awards

MALAYSIA

Somerset Ampang Kuala Lumpur

Top 25 Hotels in Malaysia
TripAdvisor Travellers' Choice Awards 2013

Somerset Ampang Kuala Lumpur

Best 3 Serviced Residence in Malaysia
Hospitality Asia Platinum Awards (HAPA) Malaysia 2013-2015

Ascott Kuala Lumpur

Best 3 Serviced Residence in Malaysia
Hospitality Asia Platinum Awards (HAPA) Malaysia 2013-2015

PHILIPPINES

Ascott Makati

Philippines' Leading Serviced Apartments
World Travel Awards 2013

Ascott Makati

Top 25 Luxury Hotels in the Philippines
TripAdvisor Travellers' Choice Awards 2013

FRANCE

Citadines Suites Louvre Paris

France's Leading Serviced Apartments
World Travel Awards 2013

Citadines Suites Louvre Paris

Hotel of the Year, Laurier De Bronze
Lauriers du Voyage d'Affaires 2013

INDONESIA

Ascott Jakarta

Indonesia's Leading Serviced Apartments
World Travel Awards 2013

Ascott Jakarta

Green Mark Certified (Provisional)
Building and Construction Authority, Singapore

JAPAN

Citadines Shinjuku Tokyo

Top 25 Hotels in Japan
TripAdvisor Travellers' Choice Awards 2013

Citadines Karasuma-Gojo Kyoto

Top 25 Hotels in Japan and
Top 25 Hotels for Service in Japan
TripAdvisor Travellers' Choice Awards 2013

UNITED KINGDOM

Citadines Prestige Trafalgar Square London

England's Leading Serviced Apartments
World Travel Awards 2013

MIXED-USE DEVELOPMENTS

SINGAPORE

Westgate & Westgate Tower

Green Mark Platinum
Universal Design Mark Gold^{PLUS} (design)
Building and Construction Authority, Singapore

Bedok Residences and Bedok Mall

Universal Design Mark Gold^{PLUS} (design)
Building and Construction Authority, Singapore

CHINA

Raffles City Shenzhen (Mall)

Gold-level Pre-Certification
Leadership in Energy and Environmental Design (LEED)
US Green Building Council

Raffles City Shenzhen (International Grade A Office)

Gold-level Pre-Certification
Leadership in Energy and Environmental Design (LEED)
US Green Building Council

Raffles City Hangzhou

China (Hangzhou) Internet Media Award
Most International New Business Landmark
Sina House Online Real Estate Media

Raffles City Ningbo

The 8th Gold Property Award
Best Commercial Space Design of the Year First Prize
Times House Magazine

Board of Directors



Ng Kee Choe, 69

Chairman

Independent Non-Executive Director

Bachelor of Science (Honours), University of Singapore

Date of first appointment as a director: 16 April 2010

Date of appointment as Chairman: 1 May 2012

Date of last re-election as a director: 26 April 2013

Length of service as a director (as at 31 December 2013): 3 years 8 months

Board committees served on

- Executive Resource and Compensation Committee (Chairman)
- Finance and Budget Committee (Member)
- Investment Committee (Chairman)
- Nominating Committee (Member)

Present directorships in other listed companies

- CapitaMalls Asia Limited (Chairman)
- PT Bank Danamon Indonesia, Tbk (President-Commissioner)
- Singapore Exchange Limited
- SP AusNet (Chairman)

Present principal commitments

(other than directorships in other listed companies)

- Fullerton Financial Holdings Pte Ltd (Director)
- NTUC Income Insurance Co-operative Limited (Special Advisor)
- Tanah Merah Country Club (Chairman)

Directorship in other listed company held over the preceding three years

- Singapore Airport Terminal Services Limited

Background and working experience

- Vice-Chairman of DBS Group Holdings Ltd (DBS)
- Retired from his executive position in DBS in July 2003 after 33 years of service

Awards

- Distinguished Service Award by the Singapore National Trades Union Congress in 2013
- The Meritorious Service Medal at the Singapore National Day Awards 2012
- The Public Service Star at the Singapore National Day Awards 2001



Peter Seah Lim Huat, 67

Deputy Chairman

Independent Non-Executive Director

Bachelor of Business Administration (Honours), University of Singapore

Date of first appointment as a director: 18 December 2001

Date of appointment as Deputy Chairman: 1 January 2009

Date of last re-election as a director: 26 April 2013

Length of service as a director (as at 31 December 2013): 12 years

Board committees served on

- Executive Resource and Compensation Committee (Member)
- Finance and Budget Committee (Chairman)
- Nominating Committee (Chairman)

Present directorships in other listed companies

- DBS Group Holdings Ltd (Chairman)
- Level 3 Communications Inc
- StarHub Ltd
- STATS ChipPAC Ltd

Present principal commitments

(other than directorships in other listed companies)

- Asia Mobile Holdings Pte Ltd (Director)
- DBS Bank Ltd (Chairman)
- DBS Bank (Hong Kong) Limited (Chairman)
- Fullerton Financial Holdings Pte Ltd (Director)
- Government of Singapore Investment Corporation Pte Ltd (Director)
- LaSalle College of the Arts Limited (Chairman)
- Singapore Health Services Pte Ltd (Chairman)
- STT Communications Ltd (Director)

Directorships in other listed companies held over the preceding three years

- Global Crossing Limited (Deputy Chairman)
- Singapore Technologies Engineering Limited (Chairman)

Background and working experience

- President & CEO of Singapore Technologies Pte Ltd (From 2001 to 2004)
- Joined Overseas Union Bank (OUB) in 1977 and became President & CEO of OUB (From 1991 to 2001)

Award

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

Board of Directors



Lim Ming Yan, 51

Executive Non-Independent Director President & Group Chief Executive Officer

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

Date of first appointment as a director: 1 January 2013

Date of last re-election as a director: 26 April 2013

Length of service as a director (as at 31 December 2013): 1 year

Board committees served on

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

Present directorships in other listed companies

- Ascott Residence Trust Management Limited
(manager of Ascott Residence Trust) (Deputy Chairman)
- CapitaCommercial Trust Management Limited
(manager of CapitaCommercial Trust) (Deputy Chairman)
- CapitaMalls Asia Limited
- CapitaMall Trust Management Limited
(manager of CapitaMall Trust) (Deputy Chairman)
- CapitaRetail China Trust Management Limited
(manager of CapitaRetail China Trust) (Deputy Chairman)
- Central China Real Estate Limited

Present principal commitments

(other than directorships in other listed companies)

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

Background and working experience

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

Awards

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



James Koh Cher Siang, 68

Independent Non-Executive Director

Bachelor of Arts (Honours), Oxford University, UK

*Master of Arts in Philosophy, Political Science and Economics,
Oxford University, UK*

Master in Public Administration, Harvard University, USA

Date of first appointment as a director: 1 July 2005

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

Length of service as a director (as at 31 December 2013): 8 years 6 months

Board committees served on

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

Present directorship in other listed company

- United Overseas Bank Limited

Present principal commitments

(other than directorship in other listed company)

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

Directorships in other listed companies held over the preceding three years

- CapitaMall Trust Management Limited (manager of CapitaMall Trust) (Chairman)
- Pan Pacific Hotels Group Limited
- Singapore Airlines Limited
- UOL Group Limited

Background and working experience

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

Awards

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

Board of Directors



Arfat Pannir Selvam, 68

Independent Non-Executive Director

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

Date of first appointment as a director: 2 January 2006

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

Length of service as a director (as at 31 December 2013): 8 years

Board committees served on

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

Present directorship in other listed company

- CapitaMalls Asia Limited

Present principal commitments

(other than directorship in other listed company)

- Breast Cancer Foundation (Vice President)
- DMS Corporate Services Pte Ltd (Director)
- Duane Morris & Selvam LLP (Managing Director)
- Hope Villages Fund Pte Ltd (Director)
- JurongHealth Fund Limited (Director)
- Muslim Financial Planning Association (President)
- Priya Roshni Pte Ltd (Director)
- Rahmatan Lil'Alamin Foundation Ltd (Director)
- Selvam LLC (Managing Director)

Background and working experience

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



Professor Kenneth Stuart Courtis, 68

Independent Non-Executive Director

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

Date of first appointment as a director: 14 February 2007

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

Length of service as a director (as at 31 December 2013): 6 years 10 months

Board committees served on

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

Present directorship in other listed company

- Banco BTG Pactual (Director)

Present principal commitments

(other than directorship in other listed company)

- Asia Pacific Foundation of Canada (Director)
- BTG Pactual Asia Limited (Chairman)
- CNOOC Limited (Advisory Board Member)
- Emerson Electric Company (Advisory Board Member)
- Global Advisory Council (Member)
- International MBA Program, York University (Advisory Board Member)
- Starfort Investments (Chairman)
- The Economic Strategy Institute (Advisory Board Member)

Directorships in other listed companies held over the preceding three years

- CNOOC Limited
- Noble Group Limited

Background and working experience

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



John Powell Morschel, 70

Independent Non-Executive Director

*Diploma in Quantity Surveying, The University of New South Wales
Fellow, Institute of Company Directors, Australia
Fellow, Institute of Management, Australia*

Date of first appointment as a director: 1 February 2010

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

Length of service as a director (as at 31 December 2013): 3 years 11 months

Board committees served on

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

Present directorship in other listed company

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

Present principal commitments

(other than directorship in other listed company)

- Gifford Communications Pty Ltd (Director)
- Tenix Group Pty Limited (Director)

Directorships in other listed companies held over the preceding years

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

Background and working experience

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



Simon Claude Israel, 60

Independent Non-Executive Director

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

Date of first appointment as a director: 1 July 2010

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

Length of service as a director (as at 31 December 2013): 3 years 6 months

Board committees served on

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

Present directorships in other listed companies

- Fonterra Co-operative Group Limited (Director)
- Singapore Telecommunications Limited (Chairman)

Present principal commitments

(other than directorships in other listed companies)

- Lee Kuan Yew School of Public Policy (Member of the Governing Board)
- Stewardship and Corporate Governance Centre Pte. Ltd. (Director)

Directorships in other listed companies held over the preceding three years

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

Background and working experience

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

Awards

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

Board of Directors



Euleen Goh Yiu Kiang, 59

Independent Non-Executive Director

Associate Member, Chartered Institute of Taxation, UK
Associate Member, Institute of Chartered Accountants in England and Wales
Associate Member, Institute of Financial Services
Member, Institute of Singapore Chartered Accountants

Date of first appointment as a director: 1 October 2011

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

Length of service as a director (as at 31 December 2013): 2 year 3 months

Board committees served on

- Audit Committee (Chairman)
- Risk Committee (Member)

Present directorships in other listed companies

- DBS Group Holdings Ltd
- SATS Ltd

Present principal commitments

(other than directorships in other listed companies)

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

Directorships in other listed companies held over the preceding three years

- Aviva plc
- Singapore Airlines Limited
- Singapore Exchange Limited

Background and working experience

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

Awards

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



Tan Sri Amirsham Bin A Aziz, 63

Independent Non-Executive Director

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

Date of first appointment as a director: 30 July 2012

Date of last re-election as a director: 26 April 2013

Length of service as a director (as at 31 December 2013): 1 year 5 months

Board committees served on

- Audit Committee (Member)
- Risk Committee (Member)

Present directorship in other listed company

- CapitaMalls Asia Limited

Present principal commitments

(other than directorship in other listed company)

- Destination Resorts & Hotels Sdn. Bhd.
- Lingui Developments Berhad
- Malaysian Investment Development Authority
- Petroliaam Nasional Berhad
- Pulau Indah Ventures Sdn Bhd
- RAM Holdings Berhad
- Samling Global Limited
- StarChase Motorsports Limited
- Themed Attractions Berhad
- Themed Attractions & Resorts Sdn Bhd

Background and working experience

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

Awards

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



Stephen Lee Ching Yen, 67

Independent Non-Executive Director

Master of Business Administration, Northwestern University, Illinois, USA

Date of first appointment as a director: 1 January 2013

Date of last re-election as a director: 26 April 2013

Length of service as a director (as at 31 December 2013): 1 year

Board committees served on

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

Present directorships in other listed companies

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

Present principal commitments

(other than directorships in other listed companies)

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

Directorship in other listed company held over the preceding three years

- Baosteel Group Corporation, Shanghai

Background and working experience

- Chairman of International Enterprise Singapore
- Chairman/Advisor of PSA International Pte Ltd
- Chairman of Singapore Business Federation

Awards

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

Senior Management



Lim Ming Yan

President & Group CEO, CapitaLand Limited

Mr Lim Ming Yan is President & Group Chief Executive Officer of CapitaLand Limited. Mr Lim is Chairman of CapitaLand China Holdings Pte Ltd, The Ascott Limited, CapitaLand Singapore Limited, CapitaLand Malaysia Pte Ltd, CapitaLand Financial Limited and CapitaLand Regional Investments Limited. He is also Deputy Chairman of CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, CapitaRetail China Trust Management Limited and Ascott Residence Trust Management Limited. He is the Director of CapitaMalls Asia Limited and CapitaLand Hope Foundation, the Group's philanthropic arm.

Mr Lim is a Board Member of the Building and Construction Authority of Singapore, Director of Business China, an organisation that promotes bilingualism and biculturalism between Singapore and China, as well as Board Member of the Singapore Tourism Board.

Mr Lim was the Chief Operating Officer of CapitaLand from May 2011 to December 2012 and Chief Executive Officer of The Ascott Limited from July 2009 to February 2012. Prior to joining Ascott, Mr Lim was the Chief Executive Officer of CapitaLand China Holdings Pte Ltd from November 2000 to June 2009, responsible for growing CapitaLand into a leading foreign real estate developer in China.

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

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

Olivier Lim

Group Deputy CEO, CapitaLand Limited

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

Mr Lim joined CapitaLand Limited in 2003 after a total of 13 years with Citibank. His prior roles in CapitaLand included Group Chief Investment Officer until January 2013, Head of Strategic Corporate Development until February 2012, and Group Chief Financial Officer for six years until 2011. At Citibank, he held various roles in the corporate banking and investment banking in Singapore. His last position at the bank was as Head of the Real Estate Unit in the Corporate Bank.

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

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

Senior Management

Arthur Lang

Group Chief Financial Officer, CapitaLand Limited

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

Prior to joining CapitaLand, he was co-head of the Southeast Asia investment banking division for Morgan Stanley. Mr Lang was also the Chief Operating Officer for the Asia Pacific investment banking division where he was based in Hong Kong for two years.

Mr Lang is also a board member of the Land Transport Authority of Singapore, Tiger Airways Holdings Limited and the Advisory Board of the Lee Kong Chian School of Business, Singapore Management University. He has also been appointed as a member of CNBC's Global CFO Council.

Mr Lang was awarded the Best Investor Relations by a CFO award by IR Magazine for both 2012 and 2013. He was also placed second (sell-side) for Asia's Best CFOs (Property) in the Institutional Investor 2013 All-Asia Executive Team rankings.

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

Tan Seng Chai

Group Chief Corporate Officer, CapitaLand Limited

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

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

Prior to joining the Group in February 2008, Mr Tan was with Chartered Semiconductor Manufacturing Ltd, Singapore (Chartered) for 12 years. He held key positions in the company including heading its worldwide human resource organisation as well as overseeing key project implementation and strategic investment activities.

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

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

Wen Khai Meng

CEO, CapitaLand Singapore

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

Prior to this, Mr Wen has held several senior appointments within the Group including Chief Investment Officer of CapitaLand Limited, Chief Executive Officer of CapitaLand Commercial Limited and Chief Executive Officer of CapitaLand Financial Limited. He was also a non-executive director of Ascott Residence Trust Management Limited.

Before joining the Group, Mr Wen was with the Urban Redevelopment Authority (URA) for seven years. He was Director (Corporate Development) and Deputy Director (Land Administration). Prior to that, he was with the Ministry of National Development, Singapore, as Deputy Director (Infrastructure) for four years.

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

Jason Leow

CEO, CapitaLand China

Mr Jason Leow is Chief Executive Officer of CapitaLand China and the Country Coordinating Chief Executive Officer of CapitaLand Group in China.

Mr Leow has been with CapitaLand from 1994 and has over 20 years of experience in China. He has held several appointments within the Group, including General Manager of Business Development, General Manager of Corporate Services and Deputy Chief Executive Officer of CapitaLand China Holdings.

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

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

Senior Management

Lim Beng Chee

CEO, CapitaMalls Asia Limited

Mr Lim Beng Chee has been CapitaMalls Asia Limited (CMA)'s Chief Executive Officer since 1 November 2008.

Mr Lim played an active role in creating CMA's retail real estate funds and retail real estate investment trusts. Mr Lim was the Deputy CEO of CapitaMall Trust Management Limited from March 2005 - December 2006. He was the CEO of CapitaRetail China Trust Management Limited from December 2006 - September 2008. Mr Lim was appointed as CEO for both CapitaMalls Asia and CapitaMall Trust Management Limited in November 2008, stepping down as CEO of CapitaMall Trust Management Limited on 25 November 2009 upon the listing of CMA.

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

Lee Chee Koon

**CEO, The Ascott Limited
(From 1 June 2013)**

Mr Lee Chee Koon is the Chief Executive Officer of The Ascott Limited, the world's largest international serviced residence owner-operator. Prior to this, Mr Lee was appointed as Ascott's Deputy CEO in February 2012, assisting the CEO in strategic planning and investment of the serviced residence business. He was concurrently Ascott's Managing Director for North Asia, responsible for driving the company's investment and business development as well as managing the operations in China, Japan and Korea.

Before Mr Lee joined Ascott in July 2009 as Managing Director for China, he was the Vice President in the Office of the President at CapitaLand. Prior to joining CapitaLand in February 2007, Mr Lee was with the Administrative Service in the Singapore Civil Service. He was Assistant Director/Senior Assistant Director of Trade Directorate at the Ministry of Trade and Industry for over three years, and was responsible for trade policies. From mid 2004 to December 2005, Mr Lee was Head of International Department and Head of Economic Strategy at Ministry of Finance. In 2006, he joined Monetary Authority of Singapore for a year and was Head of the Organising Secretariat responsible for the 2006 IMF/WB Meetings in Singapore.

For Mr Lee's contributions to the hospitality industry in China, he was named one of the 'Top 10 Hoteliers of the Year' by China Hotel Starlight Awards for three consecutive years in 2010, 2011 and 2012.

Mr Lee obtained a first class honours degree in Mechanical Engineering from the National University of Singapore in 1999. He also holds a Master of Science degree in Mechanical Engineering from Imperial College London, United Kingdom.

Corporate Governance Report

CapitaLand Limited (the Company, and together with its subsidiaries, the Group) observes high standards of corporate conduct which are in line with the Principles of the Code of Corporate Governance 2012 (the Code). The Company believes in developing and maintaining sound and transparent policies and practices to meet the specific business needs of the Group and to provide a firm foundation for a trusted and respected business enterprise. The Company remains focused on complying with the substance and spirit of the Principles of the Code while achieving operational excellence and delivering the Group's long-term strategic objectives.

This report on the corporate governance practices for financial year 2013 (FY 2013) describes the Company's application of good governance principles in building a company committed to integrity, transparency, excellence and its people. This application is underpinned by sound and robust systems of internal controls and accountability to promote and drive long-term sustainable growth and value for its shareholders.

The following sections outline the Company's policies and practices on corporate governance. Where there is any material deviation from any Principle of the Code, an explanation has been provided within this report.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company.

The Board is collectively responsible for the long-term success of the company.

The Board works with Management to achieve this objective and Management remains accountable to the Board.

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

The Board oversees the affairs of the Company and is collectively responsible for the long-term success of the Company. The President & Group Chief Executive Officer (CEO), who is assisted by Management, is responsible for the day-to-day management and overall operation of the Group's businesses.

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

- (a) approving the Group's broad policies, strategies and objectives;
- (b) approving annual budgets, major funding, including capital management proposals, investment and divestment proposals;
- (c) reviewing at least annually the adequacy and

effectiveness of the Group's risk management and internal control systems including establishing risk appetite and parameters, and internal control systems including financial, operational, compliance and information technology controls;

- (d) reviewing succession plans for Directors and recommending the appointment of identified individuals as Directors for shareholders' approval;
- (e) reviewing the appointment of and succession plans for the CEO;
- (f) recommending Board compensation for shareholders' approval; and
- (g) approving compensation framework and specific remuneration packages of CEO and key management personnel.

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

- (a) material acquisitions, investments, disposals and divestments;
- (b) corporate and financial restructuring;
- (c) share issuances, dividends and other returns to shareholders;
- (d) approving the targets for and assessing the performance of the CEO and determining the compensation package for the CEO; and

Corporate Governance Report

- (e) matters which involve a conflict of interest for a substantial shareholder or a Director.

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

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

A table of the Board members' participation in the various Board Committees is set out on page 54 of this Annual Report. This reflects each Board member's additional responsibilities and special focus in the respective Board Committees.

The Board has adopted a set of internal controls which establishes approval limits for capital expenditure, investments and

divestments, bank borrowings and minimum signature requirements for cheques at Board level. Apart from matters that specifically require the Board's approval, the Board, while approving certain transactions exceeding certain threshold limits, delegates authority for transactions below those limits to Board Committees and Management. Such transactions include the following:

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

Approval sub-limits are also provided at Management levels to optimise operational efficiency. The Board meets at least once every quarter, and as required by business imperatives. Prior to the start of each Board meeting, the non-executive Directors would meet without the presence of Management. Where a physical Board meeting is not possible, the Articles of Association (Articles) of the Company permit the Directors to meet via teleconferencing or video conferencing. The Board and Board Committees may also make decisions by way of resolutions in writing.

A total of eight Board meetings were held in FY 2013. A table showing the attendance record of Directors at Board and Board Committee meetings during FY 2013 is set out on page 55 of this Annual Report. The Company believes in the manifest contribution of its Directors beyond attendance at formal Board and Board Committee meetings. To judge a Director's contributions based on his attendance at formal meetings alone would not do justice to his overall contributions, which includes being accessible by Management for guidance or exchange of views outside the formal environment of Board and Board Committee meetings.

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

The Company provides suitable training for Directors. Upon appointment, each Director is provided with a formal letter of appointment and will also be given a copy of the New Director's Manual (which includes information on a broad range of matters relating to the role of a Director). All Directors on appointment will be required to undertake an induction programme to familiarise themselves with matters relating to the Company's strategy and business activities. The induction programme includes meetings with the Chairman of the Board, the Chairmen of the Board Committees, the President & Group CEO, the Group Chief Financial Officer (CFO), the Company Secretary and other key executive members.

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

Board Composition and Guidance

Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises 11 Directors, out of whom 10 are non-executive Directors who have no relationship with the Company, its related corporations, its shareholders who hold 10% or more of the voting shares of the Company or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment. Profiles of the Directors are provided on pages 20 to 27 of this Annual Report.

Mr Ng Kee Choe is the Chairman of the Board; he brings with him significant experience from his leadership in major regional companies in banking, finance, insurance and utilities.

Mr Lim Ming Yan, President & Group CEO of the Company, is the sole executive Director of the Company. He also brings with him significant real estate investment and asset management experience, including experience from his previous appointments in various positions within the Group.

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

The Directors are business leaders and professionals with financial, banking, real estate, tax, legal, economics, investment, accounting and manufacturing backgrounds. The varied background of the Directors enables Management to benefit from their external, diverse and objective perspectives on issues brought before the Board. It also enables the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process. This, together with the separation of the roles of the Chairman and the CEO, provides a healthy professional relationship between the Board and Management with clarity of roles and facilitates robust deliberation on the Group's business activities.

The NC makes recommendations to the Board the appointments to the Board and Board Committees and the independence of the Directors, taking into account the guidance provided in the Code. The independence of

each independent non-executive Director is reviewed annually by the NC. The NC had recommended and the Board has determined that all non-executive Directors were independent in FY 2013. For the purposes of the determination, the non-executive Directors provided declarations of their independence which were deliberated upon by the NC and the Board.

The Board has determined that Mr Ng Kee Choe be considered independent notwithstanding that he is Chairman of the Company's listed subsidiary, CapitaMalls Asia Limited (CMA) since 24 April 2013 as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code was not significant compared with the revenues received by the Group in FY 2013, (ii) the payments received by the Group from CMA for the corporate support services supplied were interested person transactions (IPTs) from CMA's perspective and would be on normal commercial terms since IPTs are regulated by Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST), (iii) the corporate support services supplied were not material to the Company's business and (iv) Mr Ng is required under the Company's policy to recuse himself from any transaction with CMA or any matter that might give rise to the conflict of interest with CMA and would abstain from voting on such proposals at the Board meetings. Mr Ng has also demonstrated independence in character and judgment in the discharge of his responsibilities as a Director of the Company

Corporate Governance Report

and, based on his declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgment.

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

The Board has determined that Mr Seah be considered independent notwithstanding that he is Chairman of DBS Bank as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by the Group to DBS Bank was not significant compared with the overall payments made by the Group in FY 2013, (ii) the services received by the Group from DBS Bank was not material in the context of all the financial advisory and related services that the Group had received from its other banks and (iii) Mr Seah is required under the Company's policy to recuse himself from any transaction with DBS Bank or any matter that might give

rise to a conflict of interest with DBS Bank and would abstain from voting on such proposals at the Board meetings. Based on his declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect his judgment.

The Board has determined that Mr James Koh Cher Siang be considered independent notwithstanding that he is a Director of United Overseas Bank (UOB) as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by the Group to UOB was not significant compared with the overall payments made by the Group in FY 2013, (ii) the services received by the Group from UOB was not material in the context of all the financial advisory and related services that the Group had received from its other banks and (iii) Mr Koh is required under the Company's policy to recuse himself from any transaction with UOB or any matter that might give rise to a conflict of interest with UOB and would abstain from voting on such proposals at the Board meetings. Mr Koh has also demonstrated independence in character and judgment in the discharge of his responsibilities as a Director of the Company and, based on his declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgment.

The Board has determined that Mrs Arfat Pannir Selvam

be considered independent notwithstanding that she is a Director of CMA as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by CMA to the Company was not significant compared with the revenues received by the Group in FY 2013, (ii) the payments received by the Group from CMA for the corporate support services supplied were IPTs from CMA's perspective and would be on normal commercial terms since IPTs are regulated by Chapter 9 of the Listing Manual of SGX-ST, (iii) the corporate support services supplied were not material to the Group's business and (iv) Mrs Selvam is required under the Company's policy to recuse herself from any transaction with CMA or any matter that might give rise to a conflict of interest with CMA and would abstain from voting on such proposals at the Board meetings. Mrs Selvam has also demonstrated independence in character and judgment in the discharge of her responsibilities as a Director of the Company and, based on her declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect, her judgment.

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

The Board has determined that Mr John Powell Morschel be considered independent notwithstanding that he is Chairman of Australia and New Zealand Banking Group (ANZ Bank) as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by the Group to ANZ Bank was not significant compared with the overall payments made by the Group in FY 2013, (ii) the services received by the Group from ANZ Bank was not material in the context of all the financial advisory and related services that the Group had received from its other banks and (iii) Mr Morschel is required under the Company's policy to recuse himself from any transaction with ANZ Bank or any matter that might give rise to a conflict of interest with ANZ Bank and would abstain from voting on such proposals at the Board meetings. Mr Morschel has also demonstrated independence in character and judgment in the discharge of his responsibilities as a Director of the Company and, based on his declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgment.

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

The Board has determined that Ms Euleen Goh Yiu Kiang be considered independent notwithstanding that she is a Director of DBS Bank as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by the Group to DBS Bank was not significant compared with the overall payments made by the Group in FY 2013, (ii) the services received by the Group from DBS Bank was not material in the context of all the financial advisory and related services that the Group had received from its other banks and (iii) Ms Goh is required under the Company's policy to recuse herself from any transaction with DBS Bank or any matter that might give rise to a conflict of interest with DBS Bank and would abstain from voting on such proposals at the Board meetings. Ms Goh has also demonstrated independence in character and judgment in the discharge of her responsibilities as a Director of the Company and, based on her declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect, her judgment.

The Board has determined that Tan Sri Amirsham Bin A Aziz be considered independent notwithstanding that he is a Director of CMA as (i) the threshold of S\$200,000 recommended in Guideline 2.3(d) of the Code for payments made by CMA to the Company was not significant compared with the revenues received by the Group in FY 2013, (ii) the payments received by the Group from CMA for the corporate support services supplied were IPTs from CMA's perspective and would be on normal commercial terms since IPTs are regulated

by Chapter 9 of the Listing Manual of SGX-ST, (iii) the corporate support services supplied were not material to the Group's business and (iv) Tan Sri Amirsham is required under the Company's policy to recuse himself from any transaction with CMA or any matter that might give rise to a conflict of interest with CMA and would abstain from voting on such proposals at the Board meetings. Tan Sri Amirsham has also demonstrated independence in character and judgment in the discharge of his responsibilities as a Director of the Company and, based on his declaration received, there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgment.

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

Mr Lim Ming Yan is the President & Group CEO of the Company and he is therefore a non-independent Director. He is the sole non-independent Director.

Chairman and Chief Executive Officer

Principle 3:

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Corporate Governance Report

To maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the roles and responsibilities of the Chairman and CEO are held by separate individuals.

The non-executive Chairman, Mr Ng Kee Choe, is responsible for leading the Board and ensuring that the Board is effective on all aspects of its roles, while the President & Group CEO, Mr Lim Ming Yan, is responsible for the overall operation of the Group's businesses. The Chairman and President & Group CEO are not immediate family members.

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

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

Board Membership

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

The Board has established the NC which makes recommendations to the Board on all appointments to the Board and Board Committees. The NC ensures that the Board and Board Committees in the Group comprise individuals who are best able to discharge their responsibilities as Directors or, as the case may be, Board Committee members, having regard to applicable laws and regulations as well as the highest standards of corporate governance.

The NC is chaired by Mr Peter Seah Lim Huat and the other NC members are Mr Ng Kee Choe, Mrs Arfat Pannir Selvam, Mr John Powell Morschel and Mr Simon Claude Israel. All the NC members, including the Chairman, are independent non-executive Directors.

In performing its roles, the NC is guided by its Terms of Reference which sets out its responsibilities. In particular, the NC recommends to the Board:

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

- (c) candidates to the Board and Board Committees of holding companies of the unlisted business units.

In addition, the NC:

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

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

- (a) The NC carries out a proactive review of the Board composition at least annually as well as on each occasion that an existing non-executive Director gives notice of his or her intention to retire or resign. This is to assess the collective skills of non-executive Directors represented on the Board to determine whether the Board, as a whole, has the skills required to achieve the Group's strategic and operational objectives. The outcome of that assessment will be reported to the Board. In carrying out this review, the NC will take into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity (including gender diversity).
- (b) The NC identifies suitable candidates for appointment to the Board having regard to the skills required and the skills represented on the Board.
- (c) External consultants may be used from time to time to access a wide base of potential non-executive Directors. Those considered will be assessed against a range of criteria including background, experience,

professional skills and personal qualities. The NC and the Board will also consider whether a candidate's skills and experience will complement the existing Board and whether the candidate has sufficient time available to commit to his responsibilities as a Director.

- (d) The NC makes recommendations to the Board on candidates it considers appropriate for appointment.
- (e) Subject to the provisions of the Articles and the Companies Act Chapter 50 of Singapore (Companies Act), the Board may from time to time appoint a person as a Director of the Company but that person must retire, and may seek election by shareholders, at the next Annual General Meeting (AGM).
- (f) In regard to the re-election of existing Directors each year, the NC advises the Board of those Directors who are retiring in accordance with the provisions of the Articles and the Companies Act.
- (g) The NC makes recommendations to the Board as to whether the Board should support the re-election of a Director retiring in accordance with the provisions of the Articles and the Companies Act.
- (h) In making recommendations, the NC will undertake a process of review of the retiring non-executive Director's performance during the period in which the non-executive Director

has been a member of the Board.

- (i) A non-executive Director will serve a maximum of two three-year terms and thereafter by exception on the recommendation of the NC.

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

For FY 2013, the NC has performed the duties as required under its Terms of Reference. In particular, the NC had carried out the annual assessment of the independence of the independent Directors and formal evaluation of the effectiveness of the Board and its Board Committees for FY 2013.

The Company believes that Board renewal is a necessary and continual process, for good governance and maintaining relevance to the changing needs of the Group's businesses. Election of Board members is the prerogative and right of shareholders.

The Company's Articles require one-third of its Directors (prioritised by length of service since previous re-election or appointment) to retire and subject themselves to re-election by shareholders at every AGM (one-third rotation rule). This effectively means that no Director will remain in office for more than three years without being re-elected by shareholders. In addition, any newly appointed Director (whether as an additional Director or to fill a casual vacancy) will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

Corporate Governance Report

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

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

Guideline 4.4 of the Code recommends that the Board determines the maximum number of listed companies board representations which any director may hold and disclose this in the annual report. The Board is of the view that, the limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors such as whether they are in full-time employment and their other responsibilities. A Director with multiple directorships is expected to ensure that sufficient attention is given to the affairs of the Group. The Board believes that each individual Director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a Director of the Company, bearing in mind his other commitments. In considering the nomination of Directors for appointment or re-election, the NC will take into account, amongst others, the competing time commitments faced by Directors with multiple Board memberships. All Directors had confirmed that notwithstanding the number of their individual listed

company board representations and other principal commitments, which the Directors held, they were able to devote sufficient time and attention to the affairs of the Company. A total of two NC meetings were held in FY 2013.

Board Performance

Principle 5:

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

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

The Board, through the NC, strives to ensure that there is an optimal blend in the Board of background, experience and knowledge in technology, business, finance and management skills critical to the Group's businesses and that each Director could bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the Group. Contributions by an individual Board member can also take other forms, including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility by Management outside of a formal environment of Board and/or Board Committee meetings.

Renewal or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape

the Board in line with the needs of the Company and its business.

To enhance the long-term performance of the Board and its Board Committees, the Board has, through the NC, adopted a process to evaluate the effectiveness of the Board and Board Committees annually. An external consultant was engaged to facilitate the evaluation process since financial year 2011 (FY 2011). The consultant is independent of and is not related to the Company or any of its Directors. As part of the process, questionnaires were sent by the consultant to the Directors and Senior Management and the findings were evaluated by the consultant and reported, together with the recommendations of the consultant, to the Chairman of the NC. The findings and the recommendations of the consultant were reviewed by the Board.

Access to Information

Principle 6:

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

The Company believes that the Board should be provided with timely, adequate and complete information prior to Board meetings, and as and when the need arises. As a general rule, Board papers are sent to Board members

at least five working days prior to the Board meeting to allow the Board members to prepare for the Board meetings which enable the discussions to focus on questions that the Board members may have. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. The Directors have access to the Company's records, such as Board papers and related materials, and minutes of Board meetings and Board Committee meetings. New Board members are fully briefed on the businesses of the Group.

Management provides timely, adequate and complete information to the Board on Board affairs and issues requiring the Board's decision. It also provides ongoing reports relating to the operational and financial performance of the Company, such as monthly management financial reports. Timely communication with members of the Board is effected through electronic means which include electronic mail, teleconferencing and video conferencing. Informal meetings are also held for Management to brief Directors on prospective deals and potential developments in the early stages before formal Board approval is sought.

The Board has separate and independent access to Management including the Company Secretary at all times. The Company Secretary attends to corporate secretarial administration matters and is the corporate governance advisor on corporate matters to the Board and Management. The Company Secretary

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

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

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7:

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

Level and Mix of Remuneration

Principle 8:

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

Disclosure on Remuneration

Principle 9:

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

We believe that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the building of management bench strength and the development of key executives. This is to ensure continual development of talent and renewal of strong and sound leadership for a sustainable business and a lasting company.

The Board has established the ERCC to oversee executive compensation and development in the Company. The Company's ERCC sets appropriate remuneration policies and designs competitive compensation packages with a focus on long-term sustainability of business and long-term shareholders' return. The ERCC plays a crucial role in helping to ensure that the Company is able to attract, recruit and retain the best talents to drive the Group's businesses forward.

The ERCC is chaired by Mr Ng Kee Choe and the other ERCC members are Mr Peter Seah Lim Huat, Mr Simon Claude Israel and Mr Stephen Lee Ching Yen.

Corporate Governance Report

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

The ERCC is guided by its Terms of Reference which defines its scope of authority. In particular, the ERCC:

Executive Remuneration Policy

- (a) reviews and recommends to the Board a general framework of remuneration for key management personnel¹ of the Group;

¹ The term "key management personnel" shall mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

- (b) reviews the on-going appropriateness and relevance of the executive remuneration policy and other benefit programmes;

Key Management Personnel

- (a) considers, reviews, varies (if necessary) and recommends to the Board the employment contract terms and remuneration package for each key management personnel in the Group excluding its listed subsidiaries (including salaries, allowances, bonuses, stock grants, benefits-in-kind, retirement terms, and other relevant terms and conditions of employment) having regard to the general framework of remuneration for key management personnel in the Group;
- (b) reviews and recommends termination payments, retirement payments, gratuities, ex-gratia payments,

severance payments and other similar payments where applicable to key management personnel in the Group excluding its listed subsidiaries;

- (c) ensures that their contracts of service contain fair and reasonable termination clauses which are not overly generous;

Equity-Based Plans

- (a) reviews and approves the design of all share plans and/or other equity-based plans in the Company;
- (b) for each equity-based plan, determines each year whether awards will be made under that plan;
- (c) reviews and recommends each award as well as the total proposed awards under each plan in accordance with the rules governing each plan, including awards to each key management personnel;
- (d) reviews, approves and keeps under review performance hurdles and/or fulfillment of performance hurdles for each equity-based plan in the Company;

Non-Executive Director Remuneration Framework

- (a) reviews and recommends to the Board a general framework of remuneration (including Directors' fees) for non-executive Directors in the Group excluding its listed subsidiaries;

- (b) reviews and recommends to the Board specific remuneration packages for each Director in the Company;

Executive and Leadership Development

- (a) oversees the development plans of Management with the aim of building up of talent and renewal of strong and sound leadership to the Group and its businesses. It approves the appointment of key management positions, reviews succession plans for key management positions in the Group (excluding the President & Group CEO) and oversees the development of key executives and talented executives in the Group.

The ERCC aims to build capable and committed management teams, through competitive compensation, strong management bench and progressive policies which are aligned with the long-term interests and risk policies of the Group, and can attract, motivate and retain a pool of talented executives to meet the current and future growth of the Company.

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

REMUNERATION POLICY FOR KEY MANAGEMENT PERSONNEL

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

BUSINESS ALIGNMENT

- Build **sustainable value creation** and drive **wealth-added** to align with longer term shareholder interests
- Provide **sound, structured funding** to ensure affordability and cost-effectiveness **in line with performance goals**
- Enhance retention of key talents to **build strong organisational capabilities**

MOTIVATE RIGHT BEHAVIOURS

- **Pay for performance** – align, differentiate and balance rewards according to multiple dimensions of performance
- **Strengthen line-of-sight** linking rewards and performance goals
- **Foster Group-Wide Interests** to recognise the interdependence of the various business units and drive superior outcomes

FAIR & APPROPRIATE

- Ensure remuneration is **competitive** relative to the appropriate external talent markets
- Manage **internal equity** so that remuneration systems are viewed as fair across the Group
- Significant and appropriate portion of **pay-at-risk**, taking into account risk policies of the Group, symmetrical with risk outcomes and sensitive to risk time horizon

EFFECTIVE IMPLEMENTATION

- Maintain **rigorous corporate governance** requirements
- **Exercise appropriate flexibility** to meet strategic business needs and practical implementation considerations
- **Facilitate employee understanding** to maximise the value of the remuneration programs

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

In FY 2013, the ERCC appointed an external consultant Carrots Consulting Pte Ltd (Carrots) to provide professional advice on board and executive remuneration. The consultant is independent and is not related to the Company or any of its Directors. In its deliberations, the ERCC takes into consideration industry practices and norms in compensation. The President & Group CEO was not present during the discussions relating to his own compensation and terms and conditions of his service, and the review of his performance. The President & Group CEO was in attendance when the ERCC discussed policies and compensation of his senior team and key staff which included contingent share awards, bonus, staff salary review and other incentive schemes. A total of four ERCC meetings were held in FY 2013.

EXECUTIVE REMUNERATION FOR KEY MANAGEMENT PERSONNEL

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

A. Fixed Component:

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

B. Variable Cash Component:

The variable cash component includes the Scorecard-based Annual Bonus Plan and EVA-based Incentive Plan.

Scorecard-based Annual Bonus Plan

Scorecard-based Annual Bonus Plan is a remuneration component linked to the achievement of annual performance targets for each key management personnel as agreed with the Board (for President & Group CEO) and with the President & Group CEO (for the other key management personnel) at the beginning of each financial year.

Performance objectives aligned to the overall business metric and strategic goals of the Group are cascaded down throughout the organisation through the use of Balanced Scorecard, thereby creating greater alignment between performance of the Group, Business Units and the individual employees.

These could be in the form of both quantitative and qualitative measures which are aligned to the Group's business strategy.

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

EVA-based Incentive Plan

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

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

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

personnel to work for sustained EVA generation and to take actions that are aligned with the long-term interests of shareholders.

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

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

C. Share-based Component:

Share awards which were granted in FY 2013 were based on the CapitaLand Performance Share Plan 2010 and the CapitaLand Restricted Share Plan 2010 (the New Share Plans) approved and adopted by the shareholders of the Company at the Extraordinary General Meeting held on 16 April 2010.

Upon the adoption of the New Share Plans, the CapitaLand Performance Share Plan and the CapitaLand Restricted Stock Plan (the Previous Share Plans) were terminated without prejudice to the rights of holders of outstanding options and awards. The New Share Plans carry the same terms as the Previous Share Plans except that the maximum size of the shares to be issued has been reduced to 8% (including

outstanding options and share grants from previous plans) over the 10-year life of the New Share Plans (compared to 15% of the Previous Share Plans). For FY 2013, shares granted under the New Share Plans did not exceed the Yearly Limit of 1% of the total number of issued shares (excluding treasury shares).

Details of the Previous Share Plans and New Share Plans as well as awards granted under the Previous Share Plans and New Share Plans are given in the Share Plans section of the Directors' Report from pages 128 to 133.

Performance Share Plan

During FY 2013, the ERCC of the Company has granted awards which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released to the recipient at the end of the qualifying performance period, provided that minimally the threshold targets are achieved. An initial number of shares (baseline award) is allocated according to the following performance conditions:

- Group's Absolute Total Shareholder Return measured as a multiple of Cost of Equity; and
- Group's Relative Total Shareholder Return measured as the outperformance against the MSCI Asia Pacific ex-Japan Real Estate Index.

The above performance measures are selected as key measurements of wealth creation for shareholders. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

The Group has attained a nil achievement factor which is reflective of not meeting the pre-determined target performance level for Performance Shares awards granted based on the performance period from FY 2011 to FY 2013.

Restricted Share Plan

During FY 2013, the ERCC of the Company has granted awards which are conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of shares will only be released to the recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved. An initial number of shares (baseline award) is allocated according to the following performance conditions:

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

The above performance measures are selected as they are the key drivers of shareholder value and are aligned to the Company's business objectives. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. Once the final number of shares has been determined, it will be released over a vesting period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

The Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for Restricted Shares awards granted based on the performance period for FY 2013.

D. Market-related Benefits

The benefits provided are comparable with local market practices.

Corporate Governance Report

The Code requires a company to disclose the names of at least the top five key management personnel of the Company. The Company considers members in the CEO Staff Meeting (CSM) as its key management personnel for FY 2013. Apart from the President & Group CEO Mr Lim Ming Yan who was the executive director, the other four members of the CSM for FY 2013 were the Group Deputy CEO Mr Olivier Lim Tse Ghow, the Group CFO Mr Arthur Lang Tao Yih, the Group Chief Corporate Officer Mr Tan Seng Chai, and the CEO of CapitaLand Singapore Mr Wen Khai Meng. The details of the President & Group CEO compensation package are provided in the Directors' Remuneration section on pages 56 to 57 of this Report. The details of the key management personnel compensation package in bands of S\$250,000 and in percentage terms are provided in the Key Executives' Remuneration section on page 60 of this Report.

The ERCC ensures that remuneration paid to the CEO and key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets as determined by the ERCC are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short- and long-term quantifiable objectives. A pay-for-performance alignment study was conducted by the appointed external remuneration consultant and reviewed by ERCC and it was found that there was sufficient evidence indicating pay-for-performance alignment for the Group in both absolute and relative terms against a peer group of large listed companies for the 3-year period from financial year 2010 to financial year 2012.

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

There were no employees of the Company and its subsidiaries who were immediate family member of a Director or the President & Group CEO and

whose remuneration exceeded S\$50,000 during FY 2013. "Immediate family member" means the spouse, child, adopted child, step-child, sibling and parent.

Non-Executive Director Remuneration

Non-executive Directors have remuneration packages consisting of Directors' fees and attendance fees. The Directors' fee policy is based on a scale of fees divided into basic retainer fees as Director and additional fees for attendance and serving on Board Committees. The fee structure for FY 2013 is as follows:

	(S\$)
Basic Retainer Fee	
Board Chairman	183,000
Deputy Board Chairman	137,000
Director	78,000
Fee for appointment to Audit Committee and Investment Committee	
Committee chairman	60,000
Committee member	25,000
Fee for appointment to Executive Resource & Compensation Committee and Risk Committee	
Committee chairman	35,000
Committee member	22,000
Fee for appointment to any other Board Committee	
Committee chairman	28,000
Committee member	20,000
Attendance fee for Board/Board Committee meetings (per meeting)	
(a) Attendance in person	
Board meeting	
Local	4,000
Overseas	7,000
Board committee meeting	
Local	2,200
Overseas	7,000
(b) Attendance via conference telephone or similar communication equipment	
Local and Overseas	1,700
Attendance fee in person or otherwise for project committee meetings/verification meetings/other meetings where attendance of Directors is required (per meeting)	
Local and Overseas	1,000

Non-executive Directors who served on the Board during FY 2013 will receive about 70% of his total Directors' fees in cash and about 30% of his total Directors' fees in the form of shares in the Company. The actual number of shares to be awarded will be based on the volume-weighted average price (VWAP) of the Company's share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the date of the Company's AGM, rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. However, in order to encourage the alignment of interests of the non-executive Directors with the interests of shareholders, a non-executive Director is required to hold shares in the Company worth at least one-time his annual basic retainer fee based on the VWAP of the Company's share over the 14 trading days from (and including) the ex-dividend date (if any) following the date of the Company's AGM or the total number of shares awarded under the above policy for FY 2011 and onwards, whichever is lower, at all times during his Board tenure. Details of the Directors' remuneration are provided in the Directors' Remuneration section on pages 56 to 57 of this Report. The President & Group CEO as executive Director does not receive Director's fees. Directors' fees in aggregate for non-executive Directors are subject to the approval of shareholders at the AGM.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10:

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

The Company provides shareholders with quarterly and annual financial statements. The Listing Manual of SGX-ST requires results for the first three quarters to be released to shareholders within 45 days from the end of the quarter and the annual results to be released within 60 days from the financial year end. The Company's results for the first three quarters and the full year for FY 2013 were all released on a timely basis, within 31 days of the end of the relevant quarter and 50 days of the end of the financial year.

In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced, clear and understandable assessment of the Company and the Group's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a monthly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment, of the Group's financial performance, position and prospects.

The Company believes in conducting itself in ways that seek to deliver maximum sustainable value to its shareholders. Best practices are promoted as a means to build an excellent business for

its shareholders and the Company is accountable to shareholders for its performance. Prompt fulfilment of statutory reporting requirements is but one way to maintaining shareholders' confidence and trust in the capability and integrity of the Company.

Risk Management and Internal Controls

Principle 11:

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

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

The Board has overall responsibility for the governance of risk and exercises oversight of the risk management strategy and framework. The RC assists the Board in strengthening the Company's risk management capabilities.

The RC is chaired by Mr James Koh Cher Siang and the other RC members are Ms Euleen Goh Yiu Kiang, Tan Sri Amirsham Bin A Aziz and Mr Stephen Lee Ching Yen. A total of four RC meetings were held during FY 2013.

Corporate Governance Report

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

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

The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal controls.

The Group adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risk in an integrated, systematic and

consistent manner. The ERM Framework and related policies are reviewed at least annually.

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

The Group has formalised its framework which sets out the approach on how risk appetite is defined, monitored and reviewed across the Group. The Group Risk Appetite Statement is approved by the Board and it addresses the management of material risks faced by the Group.

More information on the Group's ERM Framework can be found in the Enterprise Risk Management Section on pages 61 to 63 of this Annual Report.

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

to the recommendations made by the internal and external auditors are also reviewed by the AC.

The Board has received assurance from the President & Group CEO and the Group CFO that:

- (a) the financial records of the Group have been properly maintained and the financial statements for FY 2013 give a true and fair view of the Group's operations and finances; and
- (b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks faced by the Group in its current business environment including material financial, operational, compliance and information technology risks. The President & Group CEO and the Group CFO have obtained similar assurance from the business and corporate executive heads in the Group.

In addition, in FY 2013, the Board has also received quarterly certification by Management on the integrity of financial reporting and the Board has provided a negative assurance confirmation to shareholders, as required by the Listing Manual of SGX-ST.

Based on the ERM Framework established and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the President & Group CEO and the Group CFO, the Board concurs with the recommendation of the AC and is of the opinion, that the Group's system of risk management and internal controls addressing

financial, operational, compliance and information technology risks is adequate and effective to meet the needs of the Group in its current business environment as at 31 December 2013.

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

Audit Committee

Principle 12:

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

The AC is chaired by Ms Euleen Goh Yiu Kiang and the other AC members are Mr James Koh Cher Siang, Mrs Arfat Pannir Selvam and Tan Sri Amirsham Bin A Aziz. All the members of the AC, including the Chairman, are independent non-executive Directors. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains.

The AC functions independently of the officers and other Directors of the Company who are not

AC members. Management is required to provide the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or executive officer to attend its meetings.

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

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

to approve their compensation as negotiated by Management and to review and approve their discharge. The AC reviews the scope and results of the external audit and also assesses the cost effectiveness, the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

- (m) reviews filings with SGX-ST or other regulatory bodies which contain the Company's and the Group's financial statements and ensure proper disclosure;
- (n) commissions and reviews the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. The AC is empowered to retain independent counsel, accountants or others to assist in the conduct of any investigation;
- (o) reports to the Board the work performed by the AC in carrying out its functions; and
- (p) considers any other matters, as defined by the Board.

A total of four AC meetings were held in FY 2013. 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 controls, and the significant comments and recommendations by the auditors.

During FY 2013, the Group CFO briefed the AC on the impact of the new accounting standards on the Group's consolidated financial statements.

The Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST in relation to its auditing firms.

Internal Audit

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

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

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

The Standards set by the IIA cover requirements on:

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

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

CL IA identifies and provides training and development opportunities for its staff to ensure that their technical knowledge and skill sets remain current and relevant.

(D) SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14:
Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

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

The Company provides accurate and timely disclosure of material information on the SGXNet.

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

Communication with Shareholders

Principle 15:

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

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

The Company actively engages with its shareholders and has put in place its Investor Relations Policy to promote regular, effective and fair communications with its shareholders. The Policy is

uploaded on the Group's website at www.capitaland.com and is reproduced on pages 66 to 67 of this Annual Report.

The Board has established the CDC which is chaired by Mr James Koh Cher Siang and the other CDC members are Mr Lim Ming Yan and Mrs Arfat Pannir Selvam. The CDC reviews the promptness and comprehensiveness of corporate disclosures and announcements made to the SGX-ST. It ensures the adoption of good corporate governance and best practices in terms of transparency to shareholders and the investing community.

The Company makes disclosures on an immediate basis as required under the Listing Manual of the SGX-ST, or as soon as possible where immediate disclosure is not practicable. Regular briefings and meetings for analysts and the media are held, generally coinciding with the release of the Group's second quarter and full-year results. During these briefings, Senior Management reviews the Group's most recent performance and discusses the Company's outlook. In the interest of transparency and broad dissemination, these briefings are webcast live and accessible to the public on the Group's website at www.capitaland.com, materials used in the briefings are disseminated via SGXNet and recordings of the briefings are also archived on the Group's website. In 2013, Management conducted more than 400 meetings with fund managers and institutional investors and also participated in several non-deal roadshows/conferences

in Florida, San Francisco, London, Hong Kong and Beijing.

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

Shareholders and potential investors have access to the Company's website which is available in English, including a dedicated Investor Relations link providing the Company's latest announcements and stock details. The public is able to post questions to the Company and the Board on the Company's website through the 'Contact Us' link. Shareholders may also raise any enquiry to the Company and the Board by post to the Company at (in the case of shareholders in Singapore) 168 Robinson Road, #30-01 Capital Tower, Singapore 068912.

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

Conduct of Shareholder Meetings

Principle 16:

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Corporate Governance Report

The Company supports the principle of encouraging shareholder participation and voting at general meetings. Shareholders receive the summary financial report and notice of the AGM and other general meetings (if any). Notices of the AGM and other general meetings (if any) are also advertised in the press and issued via SGXNet.

At general meetings, shareholders are encouraged to communicate their views on and discuss with the Board and Management matters affecting the Company. All Directors (including the respective Chairpersons of the Board, AC, ERCC and NC), and the external auditors, would usually be present at general meetings.

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

changes are effected to recognise electronic voting.

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

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

The Group's communication efforts have been recognised by the investment community. In 2013, it was conferred a number of awards which are listed on pages 16 to 19 of this Annual Report.

(E) ADDITIONAL INFORMATION

Additional Committees

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

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

- (a) approves the Group's investments and divestments, project budget variances, asset write-offs and disposals, reported losses of money, bad debt write-offs, granting of rebates and credits, rescheduling of recoverable debts, budget variances and procurement of goods and services within certain limits; and
- (b) approves the acceptance of credit facilities from financial institutions and capital markets.

The IC is chaired by Mr Ng Kee Choe and the other IC members are Mr Lim Ming Yan,

Prof Kenneth Stuart Courtis, Mr John Powell Morschel and Mr Simon Claude Israel. Apart from convening five meetings of the IC in FY 2013, the views of the IC and Board were actively sought by the SBUs and the approval of the IC was obtained where required.

The FBC reviews the Group's annual budget and financial policies and makes recommendation to the Board for approval. The FBC is chaired by Mr Peter Seah Lim Huat and the other FBC members are Mr Ng Kee Choe, Mr Lim Ming Yan and Prof Kenneth Stuart Courtis.

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

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

A total of two FBC meetings were held in FY 2013.

Dealings in Securities

The Company has devised and adopted a securities dealing policy for the Group's officers and employees which applies the best practices recommendations in the Listing Manual of the SGX-ST. To this end, the Company has issued guidelines to Directors and employees in the Group, which sets out prohibitions against dealings in the Company's securities (i) while in possession of material unpublished price-sensitive information, (ii) during the two weeks immediately preceding, and up to the time of the announcement of, the Company's results for each of the first three quarters of its financial year and (iii) during the one month preceding, and up to the time of announcement of the Company's results for the full financial year.

Directors and employees of the Group are also prohibited from dealing in securities of other listed entities 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 and are also discouraged from dealing in the Company's securities on short-term considerations.

Code of Business Conduct

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

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

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

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

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

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

Anti-Corruption and Bribery Policy

The Company adopts a strong stance against corruption and bribery. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of the Group are required to make a declaration

on an annual basis where they pledge to uphold its core values and not to engage in any corrupt or unethical practices. The Company believes that such an initiative serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings. The Company's stance against corruption and bribery is frequently reiterated by Management during its regular staff communication sessions as well.

The Company's zero tolerance policy against corruption and bribery extends to its dealings with third-party service providers and vendors. Pursuant to such policy, the Company requires that all agreements of the Group with third-party service providers and vendors incorporate robust anti-corruption and anti-bribery provisions.

Whistle-Blowing Policy

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

Corporate Governance Report

COMPOSITION OF BOARD AND BOARD COMMITTEES IN 2013

Board Members	Audit Committee	Corporate Disclosure Committee	Executive Resource and Compensation Committee	Finance and Budget Committee	Investment Committee	Nominating Committee	Risk Committee
Ng Kee Choe ¹			C	M	C	M	
Peter Seah Lim Huat ²			M	C		C	
Liew Mun Leong ³							
Lim Ming Yan ⁴		M		M	M		
James Koh Cher Siang	M	C					C
Arfat Pannir Selvam ⁵	M	M				M	
Prof Kenneth Stuart Courtis				M	M		
John Powell Morschel					M	M	
Simon Claude Israel			M		M	M	
Euleen Goh Yiu Kiang	C						M
Tan Sri Amirsham Bin A Aziz	M						M
Stephen Lee Ching Yen ⁶			M				M

C: Chairman

M: Member

1 Appointed as Chairman of Executive Resource and Compensation Committee on 27 April 2013.

2 Stepped down as Chairman and continue as Member of Executive Resource and Compensation Committee on 27 April 2013.

3 Stepped down as Member of Finance and Budget Committee, Corporate Disclosure Committee, Investment Committee and Nominating Committee on 1 January 2013. Retired as Director at the Annual General Meeting on 26 April 2013.

4 Appointed as Member of Finance and Budget Committee, Corporate Disclosure Committee and Investment Committee on 1 January 2013.

5 Stepped down as Member of Risk Committee on 1 February 2013.

6 Appointed as Member of Executive Resource and Compensation Committee and Risk Committee on 1 February 2013.

ATTENDANCE RECORD OF MEETINGS OF THE BOARD AND BOARD COMMITTEES IN 2013

	Board	Ad-hoc Board	Audit Committee	Executive Resource and Compensation Committee	Finance and Budget Committee	Investment Committee	Nominating Committee	Risk Committee	Board Project Committee
No. of Meetings Held	4	4	4	4	2	5	2	4	1
Board Members									
Ng Kee Choe ¹	4	4		4	2	5	2		1
Peter Seah Lim Huat ²	4	4		4	2		2		
Liew Mun Leong ³	1	1							
Lim Ming Yan ⁴	4	4			2	5			1
James Koh Cher Siang	4	4	4					4	
Arfat Pannir Selvam ⁵	4	3	4				2		
Prof Kenneth Stuart Courtis	4	4			2	5			
John Powell Morschel	4	3				4	2		1
Simon Claude Israel	4	4		4		5	2		1
Euleen Goh Yiu Kiang	4	4	4					4	
Tan Sri Amirsham Bin A Aziz	4	3	4					4	
Stephen Lee Ching Yen ⁶	4	4		3				4	

1 Appointed as Chairman of Executive Resource and Compensation Committee on 27 April 2013.

2 Stepped down as Chairman and continue as Member of Executive Resource and Compensation Committee on 27 April 2013.

3 Stepped down as Member of Finance and Budget Committee, Corporate Disclosure Committee, Investment Committee and Nominating Committee on 1 January 2013. Retired as Director at the Annual General Meeting on 26 April 2013.

4 Appointed as Member of Finance and Budget Committee, Corporate Disclosure Committee and Investment Committee on 1 January 2013.

5 Stepped down as Member of Risk Committee on 1 February 2013.

6 Appointed as Member of Executive Resource and Compensation Committee and Risk Committee on 1 February 2013.

Corporate Governance Report

DIRECTORS' REMUNERATION

DIRECTORS' COMPENSATION TABLE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Directors of the Company	Salary inclusive of AWS and employer's CPF \$	Bonus and other benefits inclusive of employer's CPF ¹ \$	Awards of shares ² \$	Directors' fees inclusive of attendance fees ³		Total \$
				Cash component \$	Shares/Units component \$	
Payable by Company:						
Executive Directors						
Liew Mun Leong ⁵	434,872.97	196,109.13	–	–	–	630,982.10
Lim Ming Yan ⁶	1,081,740.00	1,320,170.31	1,563,710.00	–	–	3,965,620.31
Sub-Total 1	1,516,612.97	1,516,279.44	1,563,710.00	–	–	4,596,602.41
Non-Executive Directors						
Ng Kee Choe	–	–	–	264,887.70	113,523.30	378,411.00
Peter Seah Lim Huat	–	–	–	187,032.30	80,156.70	267,189.00
James Koh Cher Siang	–	–	–	153,020.00	65,580.00	218,600.00
Arfat Pannir Selvam	–	–	–	189,033.00	–	189,033.00
Prof Kenneth Stuart Courtis	–	–	–	228,000.00	–	228,000.00
John Powell Morschel	–	–	–	124,530.00	53,370.00	177,900.00
Simon Claude Israel	–	–	–	143,640.00	61,560.00	205,200.00
Euleen Goh Yiu Kiang	–	–	–	148,820.00	63,780.00	212,600.00
Tan Sri Amirsham Bin A Aziz	–	–	–	157,290.00	67,410.00	224,700.00
Stephen Lee Ching Yen ⁷	–	–	–	118,113.80	50,620.20	168,734.00
				1,714,366.80 ⁴	556,000.20 ⁴	
Sub-Total 2	–	–	–	2,270,367.00⁴	2,270,367.00	
Payable by Subsidiaries:						
Liew Mun Leong	–	–	–	90,669.00 ⁵	–	90,669.00
Lim Ming Yan	–	–	–	413,258.00 ⁶	–	413,258.00
Ng Kee Choe	–	–	–	103,631.00	44,413.00	148,044.00
James Koh Cher Siang	–	–	–	43,517.00	–	43,517.00
Arfat Pannir Selvam	–	–	–	92,980.33	37,200.00	130,180.33
Tan Sri Amirsham Bin A Aziz	–	–	–	68,716.00	29,450.00	98,166.00
				812,771.33	111,063.00	
Sub-Total 3	–	–	–	923,834.33	923,834.33	
Total for Directors of Company	1,516,612.97	1,516,279.44	1,563,710.00	3,194,201.33	7,790,803.74	

DIRECTORS' COMPENSATION TABLE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 *(continued)*

- 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 accrued for year 2013 is credited into the bonus account and 1/3 of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a clawback feature, is positive.
- ² For financial year 2013, no contingent awards of shares has been granted under the CapitaLand Restricted Share Plan 2010 ("RSP") to all Directors except for Mr Lim Ming Yan. Contingent awards of shares under the RSP and the CapitaLand Performance Share Plan 2010 ("PSP") were granted to Mr Lim Ming Yan. 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 periods under RSP and PSP. The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under the RSP and PSP at the time of grant.
- ³ The directors' fees will only be paid upon approval by the shareholders at the forthcoming Annual General Meeting ("AGM") of the Company and its subsidiaries.
- ⁴ The total compensation of the non-executive Directors for financial year 2013 comprises a combination of cash and shares. If approved, the aggregate amount of Directors' fees of S\$2,270,367 will be paid as to S\$1,714,366.80 in cash, and S\$556,000.20 in the form of share awards under the RSP with any residual balance to be paid in cash. Directors' fees (comprising retainer and attendance fees) will only be paid as to about seventy per cent. (70%) in cash and about thirty per cent. (30%) in the form of share awards under RSP (save in the case of Mrs Arfat Pannir Selvam and Prof Kenneth Stuart Courtis who are retiring from the Board at the conclusion of the AGM and will receive all of their Directors' fees in cash). The actual number of shares to be awarded will be based on the volume-weighted average price of a share of the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the AGM. The actual number of shares to be awarded will be rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. Such Directors' fees will be paid upon approval by the shareholders at the AGM.
- ⁵ Mr Liew Mun Leong retired from the Board of the Company at the AGM on 26 April 2013. As he was an employee of the Company, his director's fees will be paid to the Company.
- ⁶ Mr Lim Ming Yan was appointed as Director and President & Group Chief Executive Officer of the Company on 1 January 2013. Mr Lim's total compensation excludes a special one-off Strategic Transformational Incentive designed to motivate, retain and reward Senior Management for implementation of transformational strategies and initiatives of the business. The Strategic Transformational Incentive will be awarded in the form of time-based restricted shares with an approximate value of S\$375,000 and with vesting at the end of a 3-year period. As Mr Lim is an employee of the Company, his director's fees will be paid to the Company.
- ⁷ Mr Stephen Lee Ching Yen was appointed as Director of the Company on 1 January 2013.

DIRECTORS' REMUNERATION

DIRECTORS' COMPENSATION TABLE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Directors of the Company	Salary inclusive of AWS and employer's CPF \$	Bonus and other benefits inclusive of employer's CPF ¹ \$	Awards of shares ² \$	Directors' fees inclusive of attendance fees ³		Total \$
				Cash component \$	Shares/Units component \$	
Payable by Company:						
Executive Director						
Liew Mun Leong	1,428,560.00	1,785,461.08	1,951,610.00	–	–	5,165,631.08
Sub-Total 1	1,428,560.00	1,785,461.08	1,951,610.00	–	–	5,165,631.08
Non-Executive Directors						
Dr Hu Tsu Tau ⁵	–	–	–	81,867.00	–	81,867.00
Ng Kee Choe	–	–	–	212,146.20	90,919.80	303,066.00
Peter Seah Lim Huat	–	–	–	187,040.00	80,160.00	267,200.00
Richard Edward Hale ⁵	–	–	–	66,133.00	–	66,133.00
James Koh Cher Siang	–	–	–	146,020.00	62,580.00	208,600.00
Arfat Pannir Selvam	–	–	–	149,240.00	63,960.00	213,200.00
Prof Kenneth Stuart Courtis	–	–	–	147,280.00	63,120.00	210,400.00
Dr Fu Yuning ⁵	–	–	–	26,000.00	–	26,000.00
John Powell Morschel	–	–	–	134,820.00	57,780.00	192,600.00
Simon Claude Israel	–	–	–	136,850.00	58,650.00	195,500.00
Euleen Goh Yiu Kiang	–	–	–	126,041.30	54,017.70	180,059.00
Tan Sri Amirsham Bin A Aziz ⁶	–	–	–	61,203.80	26,230.20	87,434.00
				1,474,641.30 ⁴	557,417.70 ⁴	
Sub-Total 2	–	–	–	2,032,059.00⁴	2,032,059.00	
Payable by Subsidiaries:						
Liew Mun Leong	–	–	–	366,500.00 ⁷	161,600.00 ⁷	528,100.00
Richard Edward Hale	–	–	–	97,000.00	–	97,000.00
James Koh Cher Siang	–	–	–	139,000.00	–	139,000.00
Arfat Pannir Selvam	–	–	–	77,700.00	33,300.00	111,000.00
Tan Sri Amirsham Bin A Aziz	–	–	–	59,500.00	25,500.00	85,000.00
				739,700.00	220,400.00	
Sub-Total 3	–	–	–	960,100.00	960,100.00	
Total for Directors of Company	1,428,560.00	1,785,461.08	1,951,610.00	2,992,159.00	8,157,790.08	

DIRECTORS' COMPENSATION TABLE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 *(continued)*

- ¹ The bonus figures consist primarily of Economic Value Added ("EVA") bonuses under the EVA incentive plan and are disclosed based on an accrual basis and accrued for the performance of the same year. The EVA bonus for the year 2012 is lower than 2011 due to lower portfolio gain. The EVA bonus accrued for year 2012 is credited into the bonus account and 1/3 of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a clawback feature, is positive.
- ² For the year 2012, no contingent awards of shares has been granted under the CapitaLand Restricted Share Plan 2010 ("RSP") to all Directors except for Mr Liew Mun Leong. Contingent awards of shares under the RSP and the CapitaLand Performance Share Plan 2010 ("PSP") were granted to Mr Liew Mun Leong. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP. The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under the RSP and PSP at the time of grant.
- ³ The directors' fees will only be paid upon approval by the shareholders at the forthcoming Annual General Meeting of the Company and its subsidiaries.
- ⁴ The total compensation of the non-executive Directors for 2012 of an aggregate amount of S\$2,032,059, if approved, will be paid as to S\$1,474,641.30 in cash, and S\$557,417.70 in the form of share awards under the RSP. Consequently, and in accordance with the "Directors' Fee Policy", a non-executive Director who served on the Board during 2012 (with the exception of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning, who retired from the Board during 2012) will be remunerated as to about 70 per cent. (70%) of his total Directors' fees in cash and about 30 per cent. (30%) of his total Directors' fees in the form of shares in the Company. The actual number of shares to be awarded will be based on the volume-weighted average price of a share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the Company's Annual General Meeting, rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. Each of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning will receive all of their Directors' fees in cash.
- ⁵ Dr Hu Tsu Tau and Mr Richard Edward Hale retired from the Board of the Company from the Annual General Meeting on 30 April 2012. Dr Fu Yuning retired from the Board of the Company at the Annual General Meeting on 30 April 2012.
- ⁶ Tan Sri Amirsham Bin A Aziz was appointed as Director of the Company on 30 July 2012.
- ⁷ Mr Liew Mun Leong is an employee of the Company. The cash component of his directors' fees will be paid to the Company, but he will be entitled to retain the shares component of the subsidiaries and/or units component of the real estate investment trusts managed by the subsidiaries.

Corporate Governance Report

KEY EXECUTIVES' REMUNERATION

KEY EXECUTIVES' COMPENSATION TABLE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Total Compensation Bands	Salary inclusive of AWS and employer's CPF	Bonus and other benefits inclusive of employer's CPF ¹	Award of Shares ²	Total
Above S\$2,000,000 to S\$2,250,000				
Arthur Lang Tao Yih	28%	21%	51%	100%
Above S\$1,750,000 to S\$2,000,000				
Olivier Lim Tse Ghow	40%	26%	34%	100%
Wen Khai Meng	38%	29%	33%	100%
Above S\$1,250,000 to S\$1,500,000				
Tan Seng Chai	36%	27%	37%	100%
Total ³				S\$7,600,854.18

- 1 The bonus figures consist primarily of Economic Value Added (EVA) bonuses under the EVA incentive plan and are disclosed based on an accrual basis and accrued for the performance of the same year.
- 2 The share awards are based on the fair value of the shares comprised in the contingent awards under the CapitaLand Restricted Share Plan 2010 (RSP) and the CapitaLand Performance Share Plan 2010 (PSP) at the time of grant. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP.
- 3 The total compensation excludes a special one-off Strategic Transformational Incentive designed to motivate, retain and reward Senior Management for implementation of transformational strategies and initiatives of the business. The Strategic Transformational Incentive, which ranges from approximate S\$200,000 to S\$225,000 for each key management personnel, will be awarded in the form of time-based restricted shares with vesting at the end of a 3-year period.

Enterprise Risk Management

ENTERPRISE RISK MANAGEMENT

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

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

The Board of Directors is overall responsible for the governance of risk across the Group. Such responsibilities include determining the Group's risk appetite and risk policies, overseeing the Group's Risk Management Framework, regularly reviewing the Group's risk profile, material risks and mitigation strategies, and ensuring the effectiveness of Risk Management policies and procedures. For these purposes, it is assisted by the Risk Committee (RC), established in 2002, to provide dedicated oversight of risk management at the Board level.

The RC currently comprises four independent board members and meets on a quarterly basis. The meetings are attended

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

In determining the nature and extent of significant risks which the Group is willing to take to achieve its strategic objectives, the Board has approved the Group's risk appetite which is expressed via formal, high-level statements and accompanying comprehensive risk limits/parameters which determine specific risk boundaries established at an operational level. Having considered key stakeholders' interests, the Group's Risk Appetite Statement (RAS) aims to set out explicit, forward-looking views of the Group's desired risk profile and is aligned to the Group's strategy and business plans.

An Enterprise Risk Management Committee (ERMC), established in 2012, comprising key management staff at the Group level is responsible for directing and monitoring the development, implementation and practice of Enterprise Risk Management (ERM) across the Group. The ERMC is chaired by the Group CFO and reports through President & Group CEO to the RC. Operationally, the ERMC is supported by a network of risk champions from the different Strategic Business Units (SBUs) and corporate functions as well as various specialist support functions which are tasked to develop, implement and monitor risk management policies,

methodologies and procedures in their respective areas. For example, RAG covers the area of ERM while the Operations Compliance Unit provides oversight and support in the area of Bribery and Corruption Prevention.

Enterprise Risk Management

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The Group's ERM Framework sets out the required environmental and organisational components which enable the Group to manage risks in an integrated, systematic and consistent manner. The ERM framework and related risk management policies have been validated by external ERM consultants and are reviewed at least annually.

As a foundation to this framework, the Group aims to create a risk-aware culture which embeds prudent risk-taking in decision-making and business processes. To this end, the Group draws upon:

1. Its core values such as integrity and courage to do the right thing;
2. Its operating principles such as corruption-free, financial

discipline and entrepreneurship, management, technical strengths (EMT);

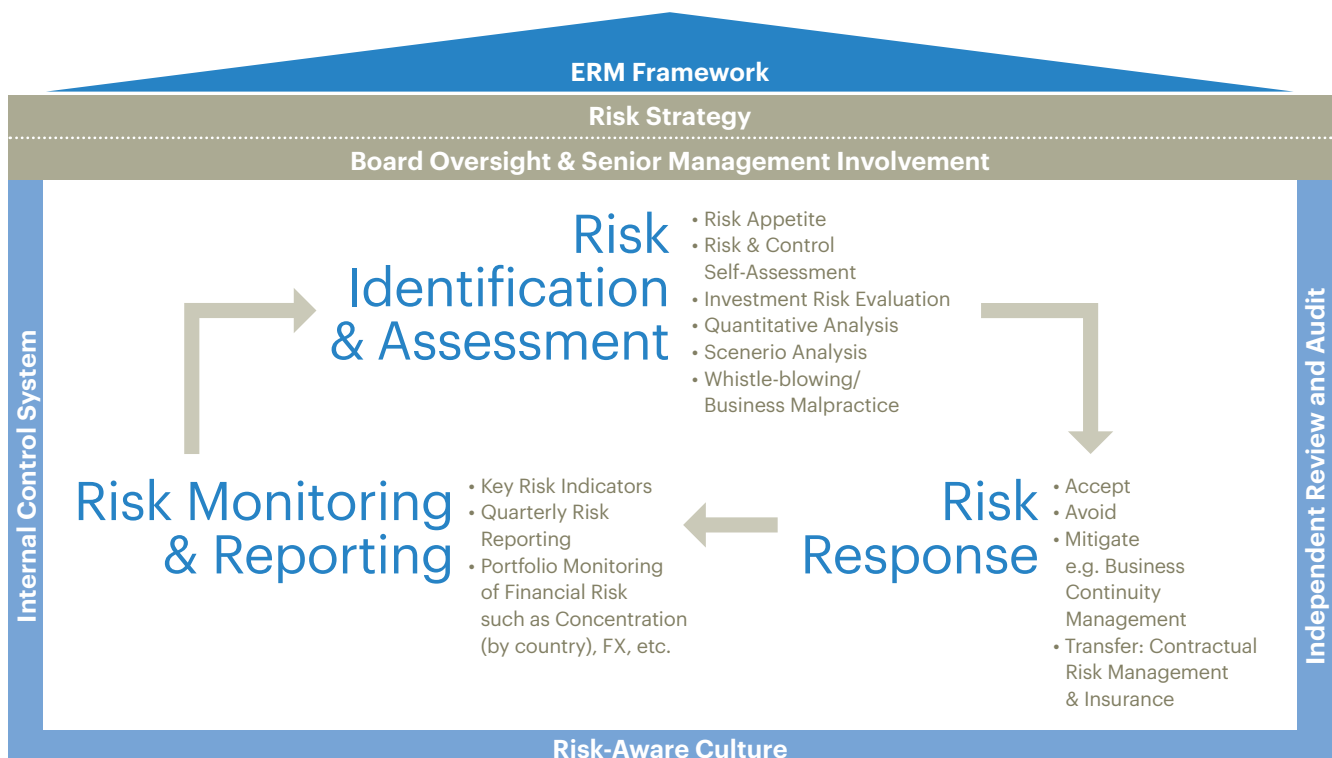
3. Programmes and policies such as the Code of Conduct, Open Door Policy and 'Because iCare' programme to foster open discussion among management and staff, Learning and Development activities to inculcate corporate values and cultures, etc.

A robust internal control system and an effective and independent review and audit process are the twin pillars that underpin the Group's ERM Framework. While the line management is responsible for the design and implementation of effective internal controls using a risk-based approach, the Internal Audit function reviews such design and implementation to provide reasonable assurance

to the Audit Committee on the adequacy and effectiveness of the internal control system.

At least once a year, RAG will facilitate and coordinate the group-wide Risk and Control Self-Assessment (RCSA) exercise that requires business and corporate executive leaders to proactively identify, assess and document material risks as well as corresponding key controls and mitigating measures to address them. Material risks and their associated controls are consolidated and reviewed at the Group level before they are presented to the RC, AC and the Board.

CapitaLand maintains a prudent risk profile by counterchecking business initiatives and potential new investments with RAG, and by investing in a mix of stable assets and development



properties. On a quarterly basis, RAG generates and presents to the RC a comprehensive group-wide portfolio risk report that measures a wide spectrum of risks and keeps the Board and management apprised of the risk profiles of activities and investments in different countries. RAG employs an innovative, state-of-the-art Value-at-Risk (VaR) model that is adapted from the banking industry and is especially tailored for the real estate industry. This is a comprehensive risk measurement tool that measures the Group's potential value deterioration of all material risk exposures using a historical simulation method.

Understanding that the property market is dynamic and ever-changing, RAG conducts regular and comprehensive risk studies based on the Group's material risks. Detailed findings including results from scenario analyses and stress testing are presented as part of the quarterly risk report to the RC.

At the individual project level, RAG performs an independent risk evaluation for investment proposals above a stipulated investment value threshold to ensure that significant risks are adequately identified and thoroughly assessed. Benchmarked against market comparables and historical data, RAG objectively challenges the financial projections and where appropriate and possible, suggests project improvement structures to mitigate significant risks and systematically improve the risk-return profile.

To ensure that potential returns are commensurate with the risks

undertaken, RAG is instrumental in computing risk-adjusted weighted average cost of capital and investment hurdle rates for individual countries and business units according to their respective risk profiles. These benchmarks are reviewed annually and when necessary, adjustments are made to reflect changes in business risk and costs of investments.

In addition, RAG maintains a contingent obligation risk registry which captures all contingent risks mainly arising from treasury activities, commercial deals and legal suits. Contingent risks are objectively priced on a regular basis using established risk pricing models such as Monte Carlo simulation and Binomial Tree techniques.

CapitaLand believes that having the right risk culture and people with the right attitude, values and knowledge are fundamental to the Group's success. Therefore, RAG continues to enhance risk management knowledge within the Group to promote a culture of risk awareness through conducting regular risk workshops for all levels and functions, and communicating frequently via internally published risk management articles.

Stakeholder Communication



Senior management engaging investors at its inaugural CapitaLand Investors' Day in Beijing

CapitaLand is committed to communicate regularly with shareholders, investors, analysts and the media. It adopts an open and honest approach towards timely and accurate disclosure. Underlying CapitaLand's stakeholder communication is its Shareholders' Communication and Investor Relations Policy. Please refer to pages 66 and 67 of this report.

Aside from the issue of news releases and other media engagement initiatives, CapitaLand communicates with the media and investment community through tools such as its user-friendly corporate website to provide real-time updated information.

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

conferences and briefings. There is great emphasis on a high level of senior management interaction with its stakeholders, whether through Annual General Meetings (AGMs), investor meetings, media and analyst briefings or media lunches. These interactions are supplemented with information from CapitaLand's website and the issue of news releases.

In 2013, the Investor Relations (IR) team stepped up its efforts to further enhance investors and analysts' understanding of CapitaLand's strategic focus after a review of its businesses. The rationale for the realignment and simplification of the Group's organisational structure to sharpen its focus on its core markets to further accelerate its growth potential, as well as its target to improve ROE from 8% to 10%-12%, was clearly communicated to its stakeholders.

During the year, CapitaLand organised three Investors' Day; CapitaLand Debt Investors' Day and CapitaLand Investors' Day held in Singapore and Beijing. It conducted more than 400 meetings with fund managers and institutional investors, and also participated in several Non-Deal Roadshows (NDR)/conferences in Florida, San Francisco, London, Hong Kong and Beijing, where management devoted their time to convey the Group's business strategies, operational and financial performances.

Besides engaging its investment community, CapitaLand organised a familiarisation trip to Shanghai, Guangzhou and Shenzhen for the media and analysts to get a first-hand insight of the Group's projects in China, including visits to the Raffles City Changning site, the Hanzhonglu site in Zhabei District, Shanghai,

and an in-depth perspective of the Group's first urban renewal project in Datansha Island, Guangzhou. Through these projects, the Group showed its competitive advantage in mixed-use developments by leveraging its core competencies in homes, offices, shopping malls and serviced residences. Aside from the media and analyst trip, the IR team facilitated nine site visits for fund managers in Singapore and China.

Separately, CapitaLand reached out to retail shareholders through participation in the second Singapore Investment Week organised by the Securities

Investors Association (Singapore) which attracted 2,500 retail investors over a two-day weekend investment seminar held in English, and for the first time in Chinese. During the event, the IR team took the opportunity to present CapitaLand's strategy to the audience.

CapitaLand's stakeholder communication efforts have been recognised by the investment community. It was conferred a number of awards, including the Most Transparent Company Award (Real Estate) for the 13th consecutive year and the prestigious Golden Circle Award for the second

consecutive year by the Securities Investors Association (Singapore) Investors' Choice Awards 2013; and the Grand Prix for Best Overall Investor Relations, Best Investment Community Meetings and Best in Sector (Real Estate) awards by IR Magazine - South East Asia 2013. In addition, it received the highest honour as a top investor relations performer in The IR Magazine's Global Top 50 (Global Top 50). The Global Top 50 is the first of its kind, recognising top performers in investor relations across South East Asia, Greater China, the US, Canada, Europe and Brazil.

2013 INVESTOR RELATIONS CALENDAR

1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
1st Analysts' Briefing by President & Group CEO - FY 2012 financial results briefing to media and analysts and live webcast - Goldman Sachs NDR (Hong Kong) - Citi 18th Annual Global Property CEO Conference (Florida) - Macquarie NDR (San Francisco) - Credit Suisse 16th Asian Investment Conference (Hong Kong)	- Annual General Meeting - Release of 1Q 2013 financial results 2nd Singapore Investment Week 2013 organised by Securities Investors Association (Singapore) - HSBC 3rd Annual ASEAN Conference (Singapore) 4th Annual DB Access Asia Conference (Singapore) - JPMorgan China Summit 2013 (Beijing) - CapitaLand Investors' Day (Beijing) - Nomura Investment Forum Asia 2013 (Singapore)	1H 2013 financial results briefing to media and analysts and live webcast - Credit Suisse NDR (Hong Kong) - CapitaLand Debt Investors' Day (Singapore) - Macquarie ASEAN Conference (Singapore) - CLSA Investors' Forum 2013 (Hong Kong)	- Release of 3Q 2013 financial results - CapitaLand Investors' Day (Singapore) - Morgan Stanley 12th Annual Asia Pacific Summit (Singapore) - CapitaLand Media & Analysts' Familiarisation Trip to Shanghai, Guangzhou and Shenzhen - UBS Global Real Estate CEO/CFO Conference (London)

SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS POLICY

1. GENERAL POLICY

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

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

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

2. SHAREHOLDERS' RIGHTS

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

2.1 CapitaLand would facilitate the opportunity for Shareholders to participate effectively in and vote at general meetings of Shareholders. Shareholders would also be informed of the rules, including voting procedures that govern general meetings of Shareholders.

2.2 CapitaLand would allow corporations which provide nominee or custodial services to appoint more than two proxies so that Shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

3. COMMUNICATION PRINCIPLES

3.1 CapitaLand strives to provide pertinent and accurate information to its Shareholders and the investment community in an effective and timely manner.

3.2 CapitaLand will use clear and plain language in its communication with its Shareholders.

3.3 CapitaLand endeavours to provide a consistent level of disclosure on both positive and negative developments of the organisation.

3.4 CapitaLand will communicate only through its designated spokespersons.

3.5 CapitaLand and its designated senior spokespersons will establish and maintain regular dialogue with Shareholders, analysts and the media through press cum analysts' briefings, investor roadshows or Investors' Day briefings in order to solicit and understand the views of Shareholders, analysts and the media.

3.6 CapitaLand does not respond to rumours. However, if rumours indicate that material information has been leaked or they are in fact false or inaccurate, the rumours will be promptly denied or clarified via announcements made through SGXNET to SGX-ST.

3.7 CapitaLand observes a "blackout period" of two weeks prior to the announcement of its quarterly results and one month prior to the announcement of its full-year results. During this period, CapitaLand does not comment on industry outlook, the Group's business performance and financial results.

4. COMMUNICATION STRATEGIES

4.1 CapitaLand actively engages its Shareholders and the investment community via:

- (i) Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) if necessary;
- (ii) quarterly results presentation slides and financial results announced via SGXNET to SGX-ST and posted on CapitaLand's corporate website;

- (iii) half yearly media and analysts' briefings for half-year and full-year financial results, with "live" webcasts available for viewing via CapitaLand's corporate website;
- (iv) one-on-one/group meetings or conference calls, investor luncheons, local/overseas roadshows and conferences;
- (v) site, property and mall visits;
- (vi) annual reports;
- (vii) news releases and statements;
- (viii) notices of, and explanatory memoranda for AGMs and EGMs; and
- (ix) corporate website (www.capitaland.com).

Investors' Communication

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

Shareholders' Meetings

- 4.4 CapitaLand's AGMs are the principal communication channels with its Shareholders and for Shareholders' participation.
- 4.5 All Shareholders are sent a copy of CapitaLand's summary report with notice of AGM prior to the AGM. As and when an EGM of the

Shareholders is to be held, each Shareholder will be sent a copy of a circular with notice of EGM which contains details of the matters to be proposed for Shareholders' consideration and approval.

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

Corporate Website

- 4.9 CapitaLand maintains a corporate website (www.capitaland.com). CapitaLand's business developments and operations, financial reports, announcements,

news releases and other information are posted on its corporate website. Both current information and archives of previously released information including presentation slides and announcements can be found in the "Investor Relations" section of the corporate website.

5. COMPANY CONTACTS

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

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

- 5.2 Shareholders and the investment community can contact CapitaLand's investor relations team by telephone at +65 6713 2888, or by fax at +65 6820 2202 or by email at ask-us@capitaland.com.

6. SHAREHOLDERS' PRIVACY

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

Corporate Directory

As at 28 February 2014

BOARD OF DIRECTORS

Ng Kee Choe

Chairman

Peter Seah Lim Huat

Deputy Chairman

Lim Ming Yan

President & Group CEO

James Koh Cher Siang

Arfat Pannir Selvam

Prof Kenneth Stuart Courtis

John Powell Morschel

Simon Claude Israel

Euleen Goh Yiu Kiang

Tan Sri Amirsham Bin A Aziz

Stephen Lee Ching Yen

COMPANY SECRETARIES

Michelle Koh Chai Ping

Ng Chooi Peng

BOARD COMMITTEES

Audit Committee

Euleen Goh Yiu Kiang (Chairman)

James Koh Cher Siang

Arfat Pannir Selvam

Tan Sri Amirsham Bin A Aziz

Corporate Disclosure Committee

James Koh Cher Siang (Chairman)

Lim Ming Yan

Arfat Pannir Selvam

Executive Resource and Compensation Committee

Ng Kee Choe (Chairman)

Peter Seah Lim Huat

Simon Claude Israel

Stephen Lee Ching Yen

Finance and Budget Committee

Peter Seah Lim Huat (Chairman)

Ng Kee Choe

Lim Ming Yan

Prof Kenneth Stuart Courtis

Investment Committee

Ng Kee Choe (Chairman)

Lim Ming Yan

Prof Kenneth Stuart Courtis

John Powell Morschel

Simon Claude Israel

Nominating Committee

Peter Seah Lim Huat (Chairman)

Ng Kee Choe

Arfat Pannir Selvam

John Powell Morschel

Simon Claude Israel

Risk Committee

James Koh Cher Siang (Chairman)

Euleen Goh Yiu Kiang

Tan Sri Amirsham Bin A Aziz

Stephen Lee Ching Yen

REGISTERED ADDRESS

168 Robinson Road

#30-01 Capital Tower

Singapore 068912

Telephone: +65 6713 2888

Facsimile: +65 6820 2202

SHARE REGISTRAR

M & C Services Private Limited

112 Robinson Road

#05-01

Singapore 068902

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 4142

(Engagement Partner since financial year ended 31 December 2010:

Leong Kok Keong)

PRINCIPAL BANKERS

- Agricultural Bank of China Limited
- Australia and New Zealand Banking Group Limited
- Bank of China
- Bank of Communications Co., Ltd
- China Merchants Bank Co., Ltd
- CIMB Bank Berhad
- DBS Bank Ltd
- Deutsche Bank AG
- Hang Seng Bank Limited
- Industrial and Commercial Bank of China Limited
- Malayan Banking Berhad
- Mizuho Bank, Ltd.
- Oversea-Chinese Banking Corporation Limited
- Standard Chartered Bank
- Sumitomo Mitsui Banking Corporation
- The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- The Hongkong and Shanghai Banking Corporation Limited
- United Overseas Bank Limited

Financial Calendar

FINANCIAL YEAR ENDED 31 DECEMBER 2013

Announcement of First Quarter Results	26 April 2013
Announcement of Second Quarter Results	25 July 2013
Announcement of Third Quarter Results	31 October 2013
Announcement of Full Year Results	19 February 2014
Annual General Meeting	25 April 2014
Books Closing (Record Date)	5.00 p.m. on 6 May 2014
Books Closure	7 May 2014
Proposed Payment of 2013 First and Final Dividend	16 May 2014

FINANCIAL YEAR ENDING 31 DECEMBER 2014

Proposed Announcement of First Quarter Results	April 2014
Proposed Announcement of Second Quarter Results	August 2014
Proposed Announcement of Third Quarter Results	November 2014
Proposed Announcement of Full Year Results	February 2015

Environment, Health and Safety

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

As an international corporate social citizen, CapitaLand is committed to protect the environment and uphold the occupational health and safety of employees in the workplace, and will:

- carry out exemplary EHS practices to minimise pollution, and health and safety risks;
- seek continuous improvement to its EHS performance;
- comply with pertinent legislations and other requirements; and
- implement the CapitaLand Green Buildings Guidelines and Occupational Health and Safety programmes

This policy is published on www.capitaland.com and is readily available to all employees, tenants, contractors, suppliers, service providers and users of its properties.

The CapitaLand EHS Management System is externally audited to achieve *ISO 14001* and *OHSAS 18001* certification across 15 countries.

CapitaLand is a Global Sector Leader in the 'Diversified' property category in the Global Real Estate Sustainability Benchmark (GRESB). It was also

conferred the 2013 Environmental Tracking Carbon Ranking Leader Award by the Environmental Investment Organisation.

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

Green Ratings: In 2013, CapitaLand achieved 16 green ratings. In Singapore, these include BCA's top rating Green Mark Platinum for Capital Tower and Westgate. In China, Raffles City Shenzhen and Suzhou Integrated Development achieved the LEED pre-certification Gold rating.

Energy and Water Usage Reduction: For the first nine months of 2013, the reduction in energy usage in kWh/m² was 10% and the reduction in water usage in m³/m² was 19% from the 2008 baseline. CapitaLand will continue to implement energy and water conservation measures to ensure efficient operations and minimise resource wastage.

Global Sector Leader

CapitaLand is a Global Sector Leader in the 'Diversified' property category in the Global Real Estate Sustainability Benchmark (GRESB)



CapitaLand staff at the Building and Construction Authority (BCA) Awards 2013

Universal Design: In 2013, CapitaLand achieved eight Universal Design Mark Awards for its projects in Singapore.

Certified Contractors: In 2013, 15 out of 16 main contractors appointed were both ISO 14001 and OHSAS 18001 certified and one main contractor will engage an external auditor to conduct EHS legal compliance audit. They implemented EHS measures at CapitaLand construction sites as part of their EHS Management System.

Zero Fatality/Permanent Disability: In 2013, none of CapitaLand's staff met with work-related fatality or permanent injury.

Beyond developing and operating environmentally sustainable properties in line with EHS best practices, CapitaLand actively engages its stakeholders. On 23 March 2013, CapitaLand participated in the annual World Wide Fund for Nature's (WWF) Earth Hour for the sixth year, with 248 CapitaLand properties across Asia and Europe switching off

their facade lights and non-essential lighting for extended hours throughout the night. CapitaLand reiterated its support for Earth Hour, pledging to go 'beyond the hour' with year-long sustainability initiatives, including the 'Dare to go Green' Challenge at its serviced residences, a series of activities at its shopping malls, and a Eco Race for its office tenants in Singapore.

CapitaLand participates in national efforts towards environmental protection, climate change, and occupational health and safety. In Singapore, CapitaLand is represented in the Singapore Green Building Council, Workplace Safety and Health Construction and Landscape Committee, and BCA Green Mark Advisory Committee. In addition, Mr Lim Ming Yan, CapitaLand's President & Group CEO, was appointed to the Singapore Building and Construction Authority (BCA) Board in 2013.

8 Universal Design Mark Awards

For ensuring accessibility in the built environment to people of different age groups and varying abilities

248 CapitaLand Properties

Participated in
WWF Earth Hour

People

In CapitaLand, developing and growing human capital is integral to its business strategy. CapitaLand has an integrated human capital strategy to recruit, develop and motivate employees. In line with its credo of “Building People”, CapitaLand focuses on attracting, recruiting and retaining the right people.

Employees are provided with appropriate training to be better equipped to contribute at optimal levels, and to align their personal goals with the company’s performance objectives. Through deploying progressive workplace policies, practices and culture, a positive work environment is also created for employees to contribute and pursue their career growth.

HUMAN CAPITAL

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

During the year, CapitaLand continued to provide training and development opportunities to equip employees for the competitive business environment internationally. Established in 2006, the CapitaLand Institute of Management and Business (CLIMB) has provided a total of 13,720 training places for employees from various countries. The Ascott Centre for Excellence

(ACE), Ascott’s global hospitality training centre in Singapore, also provided more than 6,600 training places since 2008, including employees from the hotel and accommodation services sector.

CapitaLand employees are encouraged to be creative and innovative in generating new ideas, solving problems and seeking continuous improvement. Employees can do so by participating in programmes such as ICE (Innovation, Creativity, and Entrepreneurship) workshops. To date, more than 2,300 employees have shared ideas at 45 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 (RSP) is an attractive long-term incentive offered to employees of managerial grades to provide them with a personal stake in the company, contingent on achieving performance targets. This better aligns employee and shareholder interests to deliver business results. For non-managerial

13,720 Training Places

CapitaLand Institute of Management and Business (CLIMB) has provided over 13,720 training places since inception



Staff at a training session to further develop and sharpen their skills, an integral part of CapitalLand's business strategy

grade employees, an equivalent Restricted Cash Plan (RCP) was implemented to give out cash awards when targets are met. The incentive pool is funded by the Group's profitability and Economic Value Added (EVA) performance to award employees based on their job responsibilities and individual work performance.

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

POSITIVE WORK ENVIRONMENT

CapitalLand recognises that a positive work environment will better attract, motivate and retain talent. A total employee well-being

programme is in place to promote personal development, health and work-life harmony. Initiatives include a flexible medical and benefits plan, flexible work arrangements, employee engagement initiatives, and subsidised rates at Ascott's serviced residences. Work improvement programmes have been implemented to raise the level of employee engagement under the various Because iCare initiatives. Regular communication sessions held by senior management with employees are integral to effective flow of information and alignment of business goals and objectives across all levels of workforce.

CapitalLand also embraces diversity in many aspects including culture, nationality

and language. The total workforce has consistently grown with more than half of employees located outside Singapore. The diversity, contributed by business needs to hire local talent knowledgeable in the various markets in which we conduct business, helps to build cross-border knowledge across geographies.

Community

In 2013, CapitaLand continued its commitment to invest in the communities in which the company operates through its philanthropic arm, CapitaLand Hope Foundation (CHF), to promote social growth and development of underprivileged children.

In 2013, about 2,100 CapitaLand staff volunteered more than 18,000 hours. The strong commitment of staff volunteers embodies the true spirit of community development at CapitaLand.

Since 2005, CHF has donated over S\$21 million to support programmes for the education, healthcare and shelter needs of underprivileged children in countries such as China, India, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam, benefiting more than 120 charities.

For its philanthropic efforts, CapitaLand goes beyond donations; it is also actively involved in projects that will have positive impact for both the community and the business. In 2013, about 2,100 CapitaLand

staff volunteered more than 18,000 hours. The strong commitment of staff volunteers embodies the true spirit of community development at CapitaLand. Active employee involvement has also led to improved teambuilding, better working relationships and enhanced internal brand value, as seen in post-volunteer survey results conducted in 2013; 94% of the respondents feel proud to work for the company after volunteering, and 93% expressed they enjoy working in the company as it has a positive and vibrant corporate culture. CapitaLand provides three



Mr Lim Ming Yan, President & Group CEO, CapitaLand Limited, flagged off 200 Singapore-based CapitaLand staff for the first CapitaLand Volunteer Day

days of Volunteer Service Leave (VSL) to every staff each year. In 2013, more than 1,700 days of VSL were taken, translating into an estimated salary cost of over S\$276,000.

For its efforts, CapitaLand was awarded Best Strategic Corporate Social Responsibility for the second consecutive year in the 3rd Annual SEA Institutional Investor Corporate Awards by the Alpha Southeast Asia Magazine. It was also awarded Best Corporate Social Responsibility in Singapore by the FinanceAsia 2013 Annual Poll. In addition, CHF's series of educational programmes for underprivileged children in China was lauded as one of "2013 Excellent CSR Cases of China and Foreign Corporations" by China Foundation for Poverty Alleviation and Tsinghua University's Research Institute of Innovation and Social Responsibility. CapitaLand was also conferred "China Best Corporate Citizen Award" for the sixth consecutive year by the China Committee of Corporate Citizenship and CCTV2 in recognition of its excellent CSR practices.

Some key community development projects conducted in 2013 include the fourth run of the CapitaLand Kids' Food Fund programme. Partnering the five Community Development Councils (CDCs) in Singapore for the first time for the programme, CHF funded S\$500,000 for the CDCs to provide 1,000 underprivileged children beneficiaries across Singapore with at least one healthy meal every school day throughout 2014. CHF also funded about S\$500,000 for My Schoolbag programme in 2013, where approximately 21,000 underprivileged schoolchildren in five Asian countries received schoolbags containing school

and daily necessities. CapitaLand continued to extend its reach to underprivileged children through S.E.N.D for Hope initiatives during Lunar New Year and Christmas festive seasons in 2013. For every electronic greeting card (e-card) sent, CHF donated S\$2 to a designated charity. Over 25,000 e-cards were sent and S\$50,000 was donated towards the upgrading of Canossaville Children's Home in Singapore as well as to World Vision to aid disaster relief efforts towards victims of Typhoon Haiyan in the Philippines.

To bolster CapitaLand's community development efforts in China, CHF partnered China Foundation for Poverty Alleviation to set up a RMB3.5 million (S\$735,000) special fund. It is the first comprehensive special charity fund set up by a foreign real estate company in China, focusing on support for underprivileged children aged 16 and below, in areas of education, healthcare and shelter. The CapitaLand Rehabilitation Therapy for Children Project is one of the programmes supported by the fund, and to date it has benefited 60 underprivileged children with physical disabilities.

To further promote the spirit of volunteerism in staff, CapitaLand held its inaugural CapitaLand Volunteer Day in conjunction with the company's 13th anniversary in November. It was a full-day volunteer event involving 200 CapitaLand staff, including senior management, to revamp homes of 20 underprivileged families in Singapore to create a conducive learning environment for the children.

Over 100 staff from Australia, China, Japan, Malaysia, Philippines, Singapore and Vietnam also participated in two international volunteer expeditions in 2013. In Tanay, Rizal Province of Philippines, CapitaLand staff embarked on a five-day staff volunteer expedition to support the rebuilding efforts of Gawad Kalinga, in building homes for 300 children who have been left homeless since Typhoon Ondoy struck in 2009. Over in the Sichuan Province of China, CapitaLand donated S\$100,000 and partnered Habitat for Humanity to provide disaster relief for children and their families affected by the devastating earthquake in April. Staff volunteers put in four days of hard work to help build safe homes that can withstand earthquakes of up to 8.0-magnitude around Tiantaishan Town.

CapitaLand strongly believes every child has the potential for greatness, which if nurtured and built upon, can bring significant value to future societies. Every year, CapitaLand donates up to 0.5% of its net profit to CHF to further the company's commitment in building for tomorrow.

Global Presence

As at 28 February 2014

ASIA PACIFIC

Australia

Adelaide
Brisbane
Gold Coast
Hobart
Melbourne
Perth
Sydney

China

Anyang
Beijing
Changsha
Chengdu
Chongqing
Dalian
Deyang
Dongguan
Foshan
Guangzhou
Hangzhou
Harbin
Hefei
Hong Kong

Huhot
Kunshan
Macau
Maoming
Mianyang
Nanchang
Nanjing
Ningbo
Qingdao
Quanzhou
Rizhao
Shanghai
Shenyang
Shenzhen
Suzhou
Tianjin
Weifang
Wuhan
Wuhu
Wuxi
Xi'an
Xiamen
Xinxiang
Yangzhou
Yibin

Yiyang
Zhangzhou
Zhanjiang
Zhaoqing
Zhengzhou
Zibo

India

Ahmedabad
Bangalore
Chennai
Cochin
Gurgaon
Hyderabad
Jalandhar
Mangalore
Mumbai
Mysore
Nagpur
Udaipur

Indonesia

Jakarta
Surabaya

Japan

Chitose
Eniwa
Fukuoka
Hiroshima
Kobe
Kyoto
Nagoya
Osaka
Saga
Sapporo
Sendai
Tokyo

Malaysia

Cyberjaya
Johor Bahru
Kuala Lumpur
Kuantan
Kuching
Nusajaya
Penang
Petaling Jaya

Philippines

Manila

Singapore

South Korea

Seoul

Thailand

Bangkok
Sri Racha

Vietnam

Danang
Hai Phong City
Hanoi
Ho Chi Minh City

EUROPE

Belgium

Brussels

Georgia

Tbilisi

France

Bordeaux
Cannes
Ferney-Voltaire
Grenoble
Lille
Lyon
Marseille
Montpellier
Nice
Paris
Strasbourg
Toulouse

Germany

Berlin
Frankfurt
Hamburg
Munich

Spain

Barcelona

United Kingdom

London

GULF COOPERATION COUNCIL COUNTRIES

Bahrain

Manama

Qatar

Doha

Kazakhstan

Almaty

Saudi Arabia

Jeddah
Riyadh

Oman

Muscat
Sohar

United Arab Emirates

Abu Dhabi
Dubai

Performance Overview

PERFORMANCE OVERVIEW

Despite the challenging macroeconomic and operating environment, CapitaLand Group achieved a profit after tax and non-controlling interests (PATMI) of S\$849.8 million for the full year ended 2013. This was lower than last year mainly due to one-off losses, particularly the loss on divestment of a partial stake in Australand, and higher impairment charges. Excluding the one-off loss arising from the divestment of 20% stake in Australand of S\$120.8 million, FY 2013 PATMI for the Group would have been S\$970.6 million, or 4.3% higher than FY 2012.

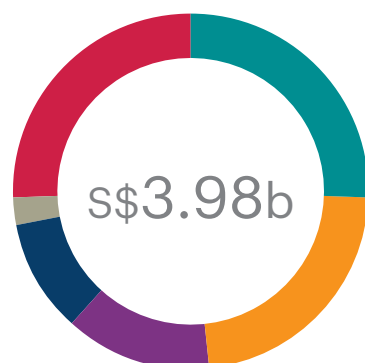
REVENUE

Revenue for FY 2013 for the Group rose 20.5% year on year to a record high of S\$3.98 billion. The increase was fuelled by higher contribution from development projects in Singapore and China, shopping mall and serviced residence businesses. This was partially offset by the loss of revenue recognition from Australand post the divestment of the 20% stake in end November 2013. Geographically, the Group's core markets of Singapore and China contributed about 62.0% or S\$2.47 billion of the Group's revenue.

CapitaLand Singapore recorded a 7.8% increase in revenue to S\$1,024.8 million as compared to FY 2012. This was contributed by revenue from Bedok Residences as we commenced revenue recognition in 2013 and continued progressive revenue recognition for units sold from Sky Habitat and Urban Resort Condominium.

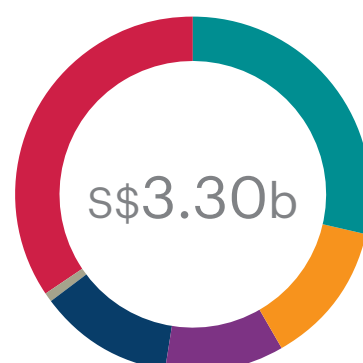
Revenue from CapitaLand China doubled in FY 2013 to

2013 REVENUE BY STRATEGIC BUSINESS UNIT



	%
CapitaLand Singapore	25.8
CapitaLand China	22.6
CapitaMalls Asia	13.3
The Ascott Limited	10.4
Corporate and Others	2.5
Australand	25.4

2012 REVENUE BY STRATEGIC BUSINESS UNIT



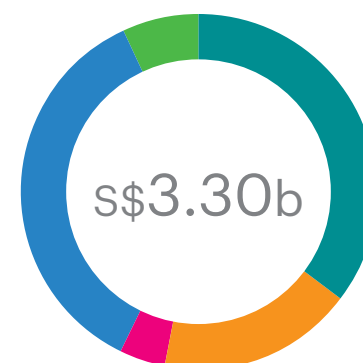
	%
CapitaLand Singapore	28.8
CapitaLand China	13.1
CapitaMalls Asia	10.7
The Ascott Limited	12.3
Corporate and Others	0.8
Australand	34.3

2013 REVENUE BY GEOGRAPHICAL LOCATION



	%
Singapore	35.1
China (including Hong Kong)	26.9
Other Asia (excluding Singapore and China)	5.6
Australia	26.8
Europe and Others	5.6

2012 REVENUE BY GEOGRAPHICAL LOCATION



	%
Singapore	35.4
China (including Hong Kong)	17.8
Other Asia (excluding Singapore and China)	4.2
Australia	35.8
Europe and Others	6.8

Performance Overview

S\$899.0 million as more units were handed over to buyers. The units handed over during the year were mainly for The Metropolis in Kunshan, The Pinnacle and The Paragon in Shanghai and iPark in Shenzhen.

CapitaMalls Asia's revenue also grew 49.3% to S\$528.0 million, driven by revenue of units sold in Bedok Residences and full year contributions from Olinas Mall and The Star Vista. Olinas Mall was acquired in April 2012 while The Star Vista opened in September 2012.

Ascott's revenue improved modestly by 1.9% to S\$412.8 million, despite having divested a few properties in 2012. The increase came about as contributions from a newly acquired serviced residence in Hong Kong and better performance from Europe properties mitigated the absence of contributions from divested properties.

Revenue contribution from Australand decreased by 10.7% to S\$1,010.5 million in FY 2013 mainly as a result of its deconsolidation from the Group's accounts from December 2013 as it ceased to be a subsidiary of the Group. At Australand's level, it reported a 4% increase in full year revenue on account of higher sales from development projects and higher rental income from investment properties.

Corporate and Others includes Corporate Office, Surbana (Consultancy), StorHub, Financial Services and other regional investments in Vietnam, Japan and Gulf Cooperation Council

countries. Revenue from Corporate and Others increased to S\$102.5 million and this came mainly from Vietnam where sales were higher on improved

economic sentiment and StorHub whose revenue was augmented by the acquisition of Big Orange Self-Storage in July 2013.

EARNINGS BEFORE INTEREST AND TAX (EBIT) ANALYSIS

The Group achieved EBIT of S\$1.80 billion which was 10.9% lower than FY 2012's EBIT of S\$2.02 billion.

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

	FY 2013		FY 2012	
	S\$ million	%	S\$ million	%
Operating profits	1,338.0	74	1,268.9	63
Portfolio (losses)/gains	(4.2)	–	239.7	12
Revaluation gains	653.7	36	611.9	30
Impairments	(189.5)	(10)	(103.1)	(5)
Total EBIT	1,798.0	100	2,017.4	100

Operating profits in FY 2013 were higher by 5.8% at S\$1,338.0 million; driven by improved operating performance from development projects in China and the shopping mall business. At the EBIT level, the Group incurred a net divestment loss of S\$4.2 million as compared to a gain of S\$239.7 million in FY 2012. The divestment losses arose mainly from the sale of the 20% stake in Australand. Other investments divested during the year included a residential development, three serviced residences and a shopping mall development in China, our interests in 11 rental housing properties in Japan, our stake in three investment properties in United Kingdom and one property in Singapore.

In terms of revaluation gains, the Group recorded a net fair value gain of S\$653.7 million

at the EBIT level as compared to S\$611.9 million in FY 2012. The fair value gains from investment properties in Singapore and China were higher, but this was partially offset by lower fair value gains from investment properties in Australia, Malaysia and Japan. The Group took impairment charges for certain development projects and investments that were affected by slow sales and weak market conditions in specific areas. The impairment losses were comparatively higher than last year and were mainly in respect of specific projects in Australia, China and India.

Singapore and China markets remain the key contributors to EBIT, accounting for 88.1% of total EBIT (FY 2012: 76.9%). Singapore EBIT was S\$847.9 million or 47.2% while China EBIT was S\$735.1 million or 40.9%.

EBIT contribution from CapitaLand Singapore decreased by 6.6% to S\$478.5 million in FY 2013 due largely to lower contribution from Latitude as well as marketing expenses incurred for Sky Vue. In addition, the loss from the divestment of Technopark@Chai Chee and lower write back of provision for income support in respect of One George Street also led to lower EBIT. The decrease was partially mitigated by higher revaluation gains on investment

properties held mainly through CapitaCommercial Trust.

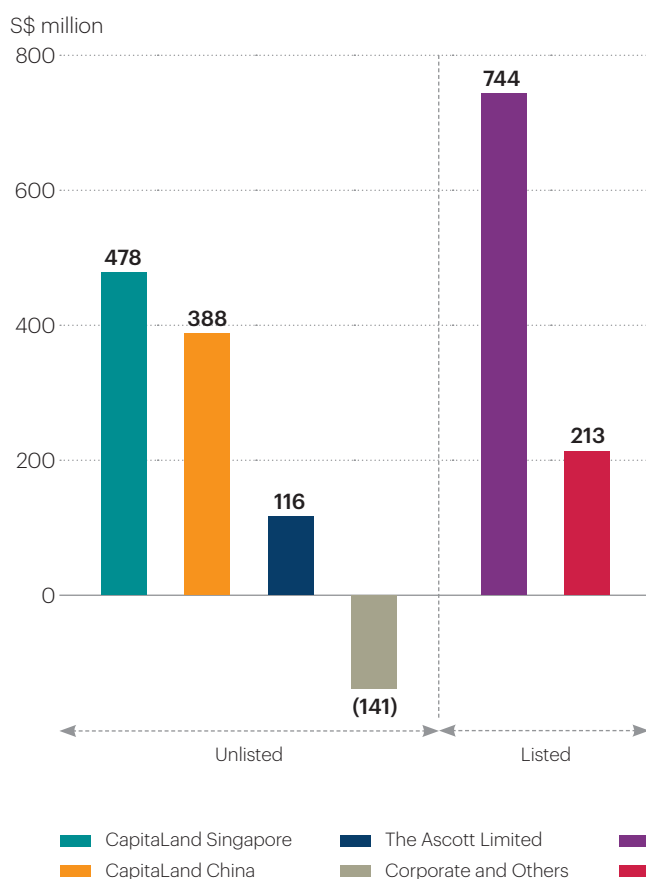
In line with the higher revenue, CapitaLand China registered an increase in EBIT of 18.9% to S\$387.7 million. The EBIT was also boosted by higher divestment gains, but partially offset by higher impairments and lower revaluation gains on investment properties.

CapitaMalls Asia's EBIT in FY 2013 was S\$743.8 million which was 10.0% higher

than FY 2012's EBIT of S\$676.2 million. The improvement was largely due to the commencement of revenue recognition for units sold in Bedok Residences, higher contributions from CapitaMall Trust, Japan malls, China funds and The Star Vista, and higher revaluation gains from properties located in China and Singapore, partially offset by lower fee income from China and lower divestment gains.

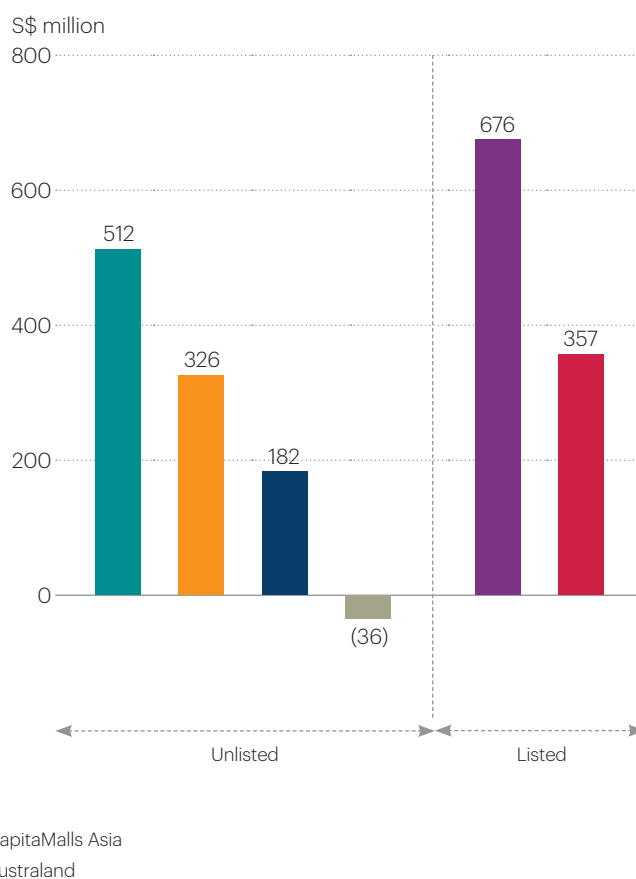
2013 EBIT BY STRATEGIC BUSINESS UNIT

Total: S\$1.80 billion



2012 EBIT BY STRATEGIC BUSINESS UNIT

Total: S\$2.02 billion



Performance Overview

EBIT from Ascott was 36.1% lower in FY 2013 at S\$116.0 million as compared to S\$181.5 million in FY 2012. This was mainly attributable to lower divestment gains and higher impairment of India assets. The decrease was partially mitigated by higher share of fair value gain from investment properties held by Ascott Residence Trust.

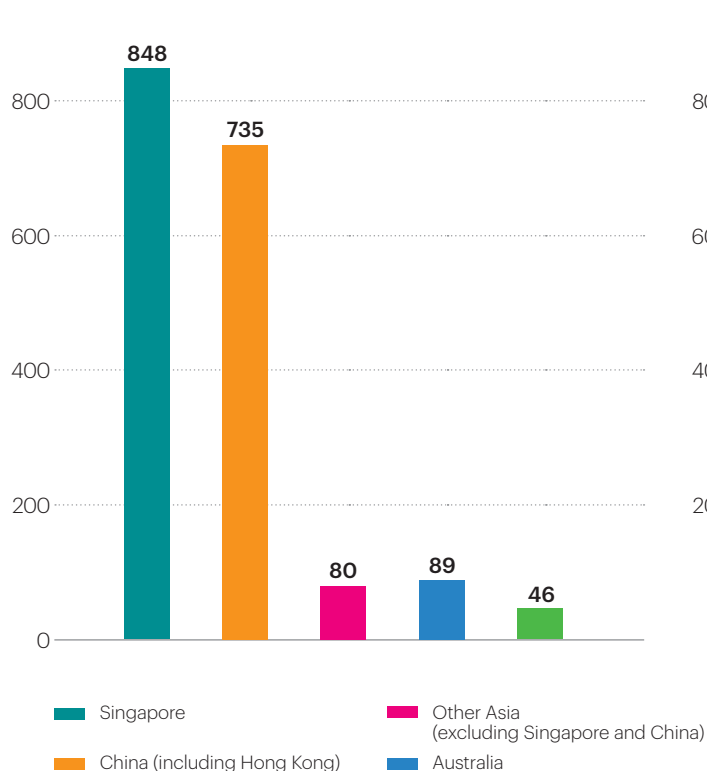
EBIT contribution from Australand in FY 2013 was S\$212.9 million as compared to S\$357.3 million in FY 2012. The 40.4% decrease was mainly attributable to a reduction in our stake in Australand following the divestment of a 20% stake in November 2013 and provision for foreseeable losses for development projects made by Australand.

Corporate and Others reported a loss in FY 2013 of S\$140.9 million mainly due to the one-off loss on the divestment of a 20% stake in Australand of S\$120.8 million, losses incurred on repurchase of convertible bonds as well as foreign exchange losses.

2013 EBIT BY GEOGRAPHICAL LOCATION

Total: S\$1.80 billion

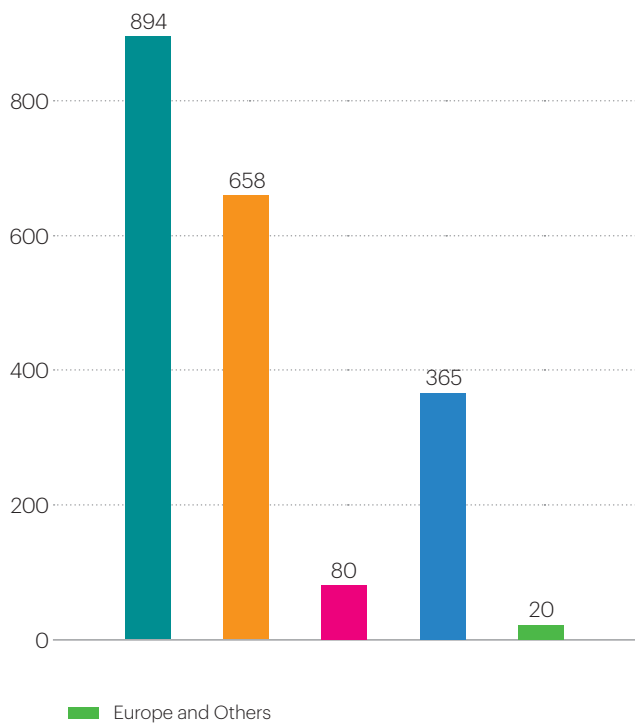
S\$ million
1000



2012 EBIT BY GEOGRAPHICAL LOCATION

Total: S\$2.02 billion

S\$ million
1000



PATMI ANALYSIS

The Group's PATMI for FY 2013 was lower at S\$849.8 million due mainly to a one-off loss on divestment of 20% stake in Australand and higher impairment charges. Excluding the one-off loss from the sale of the 20% stake in Australand of S\$120.8 million, FY 2013 PATMI for the Group would have been S\$970.6 million, or 4.3% higher than FY 2012.

While total PATMI is lower, Operating PATMI registered year on year growth of 42.9% to S\$527.7 million, led by higher contribution from development projects in China as well as the shopping mall business.

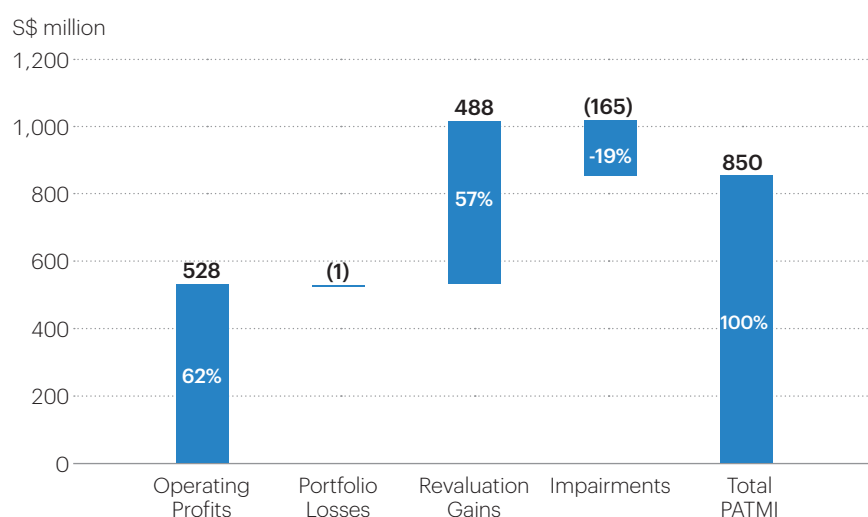
DIVIDENDS

The Board of Directors is pleased to propose a core dividend of 8.0 cents per share in respect of the financial year ended 31 December 2013 versus 7.0 cents per share in the previous year. This amounts to a payout of approximately S\$340.2 million based on the number of issued shares (excluding 19,465,215 treasury shares) as at 31 December 2013. The dividends are subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

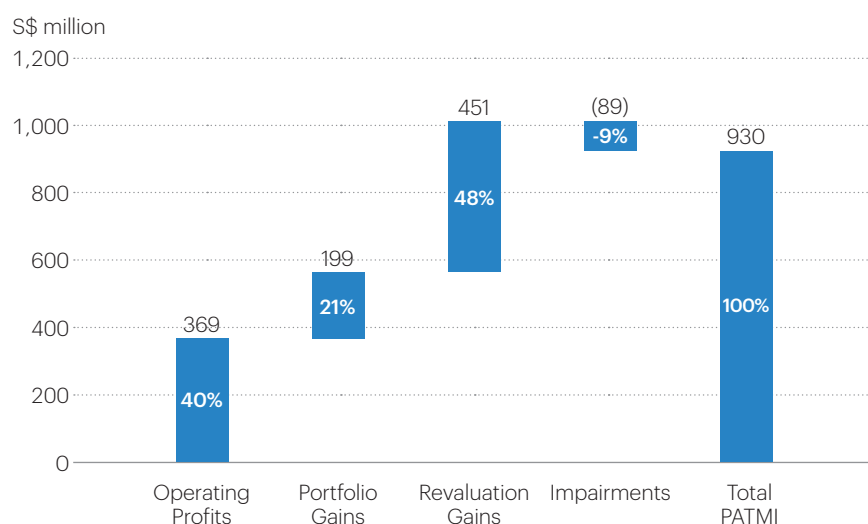
For FY 2012, a first and final dividend of 7.0 cents per share was approved and paid. The said dividends of S\$298.0 million were paid in May 2013.

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

FY 2013 PATMI



FY 2012 PATMI



Performance Overview

ASSETS

The Group's total assets as at 31 December 2013 were S\$36.15 billion, of which Singapore and China assets accounted for approximately 84.8% of the Group's total assets. The total assets declined by S\$1.64 billion or 4.3% from 2012's total assets of S\$37.79 billion. The deconsolidation of Australand accounted for a significant portion of the decrease. Other contributing

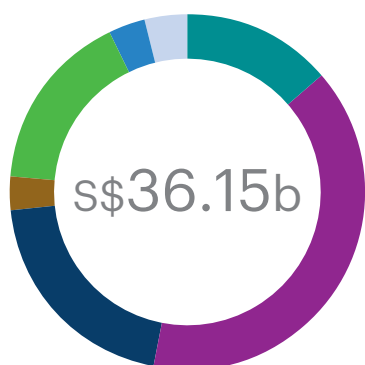
factors are the divestment of Technopark@Chai Chee, the injection of Luwan into CapitaMall China Development Fund III, the divestment of 11 rental housing properties in Japan by Ascott to Ascott Residence Trust and the completion of The Interlace. The decrease was partially mitigated by the acquisition of Hanzhonglu site in China and Bishan and Coronation Road sites in Singapore, as well as fair value gains from the

revaluation of the Group's investment properties portfolio.

As at 31 December 2013, the Group managed S\$64.64 billion* of real estate assets; which firmly entrenches its position as one of Asia's largest real estate companies.

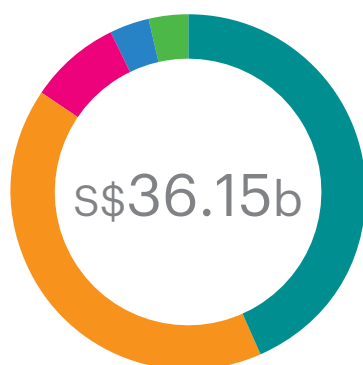
* This refers to the value of all real estate managed by CapitaLand group entities stated at 100% of the property carrying value.

2013 TOTAL ASSETS BY CATEGORY



	%
Investment Properties	13.7
Associates and Joint Ventures	39.5
Development Properties for Sale and Stocks	20.4
Properties, Plant and Equipment	3.0
Cash and Cash Equivalents	16.4
Other Non-Current Assets	3.3
Other Current Assets	3.7

2013 TOTAL ASSETS BY GEOGRAPHICAL LOCATION



	%
Singapore	43.6
China (including Hong Kong)	41.2
Other Asia (excluding Singapore and China)	8.1
Australia	3.6
Europe and Others	3.5

BORROWINGS

As at 31 December 2013, the Group's gross debt stood at S\$12.56 billion, a decrease of S\$1.62 billion from 31 December 2012's gross debt. The reduction is mainly a result of deconsolidation of Australand's debt from the Group's balance sheet. During the year, the Group also issued two new tranches of convertible bonds totaling S\$1.45 billion to refinance as well as buyback some existing convertible bonds.

SHAREHOLDERS' EQUITY

As at 31 December 2013, issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 4.25 billion shares at S\$6.30 billion. The Group's total reserves increased from S\$8.78 billion in December 2012 to S\$9.77 billion in December 2013. This increase was mainly contributed by the S\$849.8 million net profit for the year and exchange gains arising from the translation of foreign operations, partially offset by payment of the 2012 dividends during the year.

As a result of the increase in total reserves, the shareholders' funds rose to S\$16.07 billion as at end 2013 compared to S\$15.08 billion in 2012. Accordingly, the Group's net tangible assets per share increased to S\$3.67 as at 31 December 2013.

Performance Overview

Treasury Highlights

	2013	2012
Bank Facilities And Available Funds		
Bank facilities available (S\$ million)	9,002	10,439
Amount utilised for loans (S\$ million)	6,361	7,383
Available and unutilised (S\$ million)	2,641	3,056
Cash and fixed deposit balances (S\$ million)	5,920	5,498
Unutilised facilities and funds available for use (S\$ million)	8,561	8,554
Debt Securities Capacity		
Debt securities capacity (S\$ million)	14,991	15,604
Debt securities issue (net of debt securities purchased) (S\$ million)	6,202	6,797
Unutilised debt securities capacity (S\$ million)	8,789	8,807
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation (S\$ million)	2,060	2,229
Net interest expense (S\$ million)	362	405
Interest cover ratio (times)	5.69	5.50
Interest Service Ratio		
Operating cashflow before interest and tax (S\$ million)	2,236	1,658
Net interest paid (S\$ million)	450	506
Interest service ratio (times)	4.97	3.28
Secured Debt Ratio		
Secured debt (S\$ million)	3,348	2,864
Percentage of secured debt	27%	20%
Debt Equity Ratio		
Gross debt (S\$ million)	12,563	14,180
Cash and fixed deposit balances (S\$ million)	5,920	5,498
Net debt (S\$ million)	6,643	8,682
Equity (S\$ million)	19,311	19,444
Net debt equity ratio (times)	0.34	0.45

OVERVIEW

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

The global financial outlook has improved but risks remain with the slow recovery in the US and Eurozone economies.

Against this backdrop, the Group continues to maintain a healthy balance sheet.

The Group's total gross debt of S\$12.56 billion was 11% lower as compared to S\$14.18 billion last year. Net debt of S\$6.64 billion as at December 2013 was lower mainly due to the deconsolidation of Australand and repayment of debt.

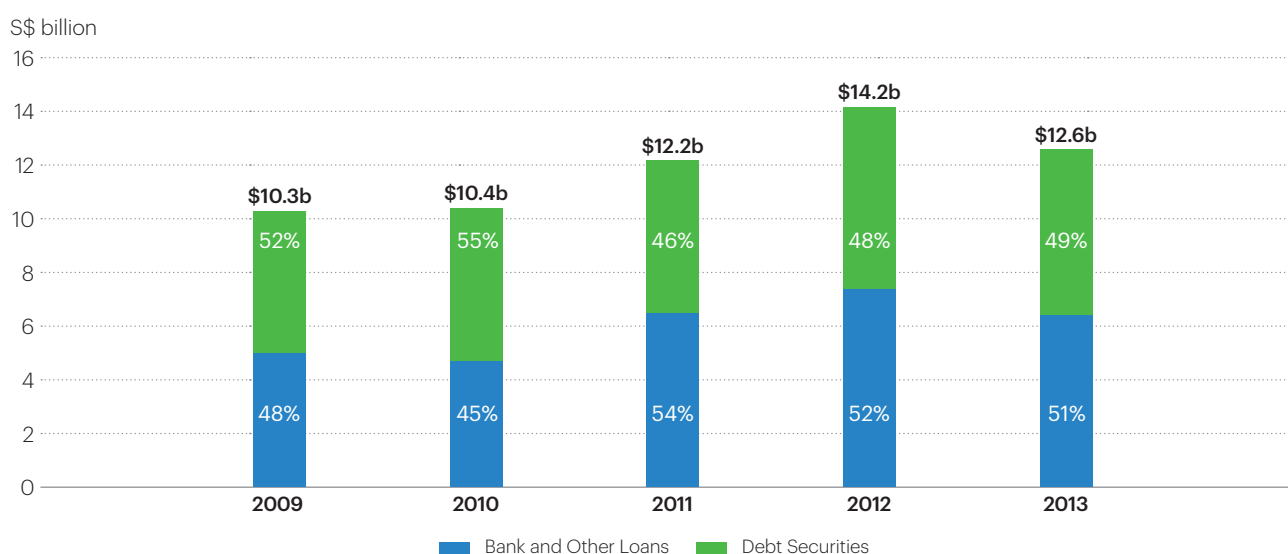
Finance costs for the Group were S\$444.5 million for the year ended 2013. This was about 11% lower compared to S\$499.0 million last year. The lower finance costs were mainly due to marked-to-market gains on interest rate swaps, which were entered into to hedge interest rate fluctuations, as compared to a loss last year.

In addition, the deconsolidation of Australand and the refinancing of convertible bonds at lower interest rates also contributed to the reduction in finance costs.

SOURCES OF FUNDING

As at year end, 51% of the Group's total debt was funded by bank borrowings and the balance 49% was raised through capital market issuances. The Group continues to seek diversified and balanced sources of funding to ensure financial flexibility and mitigate concentration risk. During the year, bank loans and debt securities decreased by about S\$1.02 billion and S\$594.9 million respectively mainly due to the deconsolidation of Australand and repayment of debt.

SOURCES OF FUNDING



Performance Overview

COMMITMENT OF FUNDING

As at end 2013, the Group is able to achieve 97% of its funding from committed facilities. The balance 3% was funded by flexible uncommitted short term facilities.

As part of its financial discipline, the Group constantly reviews its portfolio to ensure that a prudent portion of committed funding is put in place to match the investments' planned holding periods. Amidst the volatile and uncertain global economic climate, committed financing is secured whenever possible to ensure that the Group has sufficient financial capacity to support its operations, investments and future growth plans. This is carefully balanced with short term lines which allow the Group to optimise the overall cost of funding and facilitate repayment of its debts from divestment or sales proceeds.

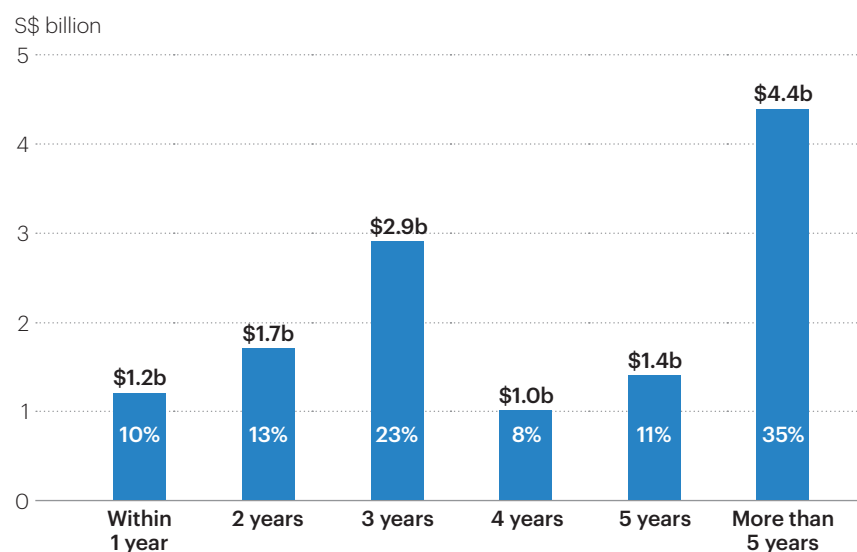
MATURITY PROFILE

The Group has proactively built up sufficient cash reserves and credit lines to enable it to meet its short term debt obligations, support its refinancing needs and pursue opportunistic investments. The Group maintains a healthy balance sheet and has unutilised bank lines of about S\$2.64 billion. To ensure financial discipline, the Group constantly reviews its loan profile so as to mitigate any refinancing risks, avoid concentration and extend its maturity profile where possible. In reviewing the maturity profile of its loan portfolio, the Group also took into account any divestment or investment plans, interest rate outlook and the prevailing credit market conditions.

AVAILABLE LINES BY NATIONALITY OF BANKS

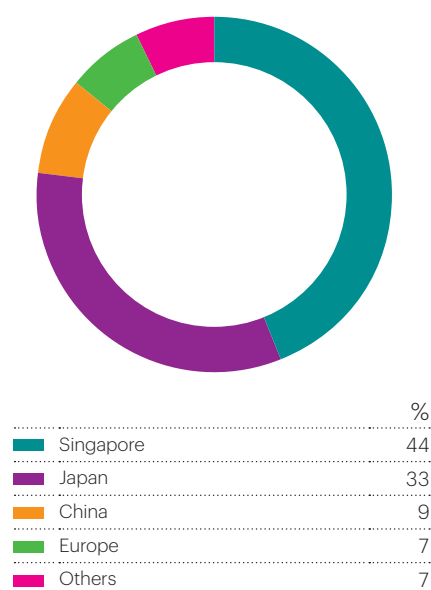
The Group has built up an extensive and active relationship with a network of more than 20 banks of various nationalities. Diversity has allowed the Group to tap on the strengths and support from the financial institutions in pursuing its strategic growth and presence globally, thus enhancing its competitiveness in core markets and enabling the Group to develop other markets where appropriate.

DEBT MATURITY PROFILE



Note: Convertible Bonds are reflected as held till final maturity

AVAILABLE LINES BY NATIONALITY OF BANKS



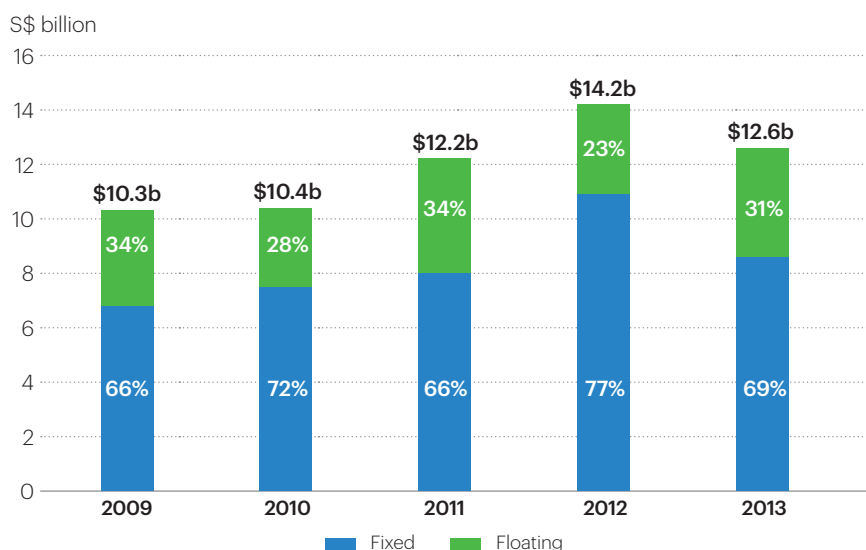
INTEREST RATE PROFILE

The Group manages its finance costs by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2013, the fixed rate borrowings constituted 69% of the portfolio and the balance 31% were on floating rate basis. As finance costs formed an integral component of the Group's operating costs, a higher percentage in fixed rate funding would offer protection against unexpected rises in interest rates. In managing the interest rate profile, the Group takes into account the interest rate outlook of its loan portfolio, holding periods of its investment portfolio, certainty of its planned divestments and operating cashflow generated from residential sales.

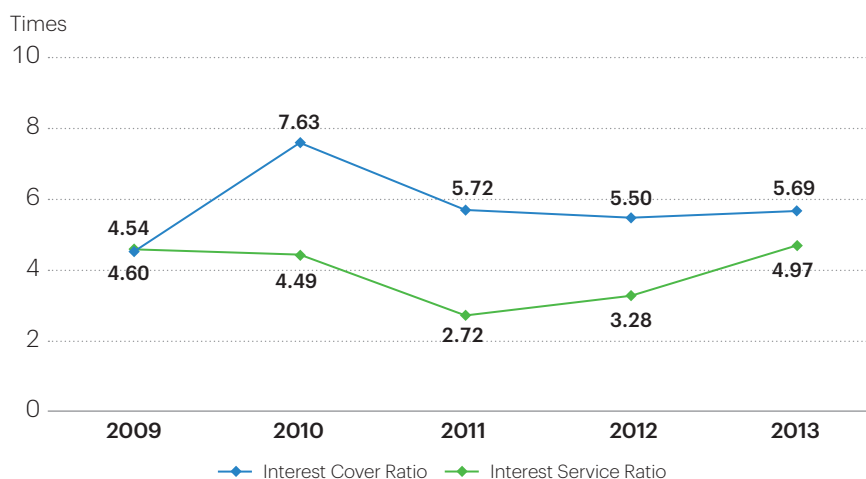
INTEREST COVER RATIO AND INTEREST SERVICE RATIO

The Interest Cover Ratio (ICR) and Interest Service Ratio (ISR) was 5.69 and 4.97 respectively. ICR was higher at 5.69 compared to 5.50 last year, primarily attributed to lower interest expense as a result of lower gross debt balance. Net interest expense decreased by around 11% to S\$362.2 million. ISR improved from 3.28 last year to 4.97 in 2013 due to higher cashflows generated from development projects and operations.

INTEREST RATE PROFILE



INTEREST COVER RATIO AND INTEREST SERVICE RATIO





Raffles City Chongqing, China



The new, streamlined organisation allows the Group to better leverage and harness synergies across the four core business units, achieve greater economies of scale and enhance its competitive advantages in integrated and mixed-use development projects.

Group Businesses

ORGANISATIONAL SIMPLIFICATION

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

The following is a broad overview of the four businesses:

1. CAPITALAND SINGAPORE

CapitaLand Singapore, a wholly-owned subsidiary of CapitaLand Limited, is one of Singapore's leading developers, managers and owners of homes, offices and integrated developments in Singapore and Malaysia. In Singapore, it has completed more than 13,000 homes, including units under development.

CapitaLand Singapore is also the sponsor and manager of CapitaCommercial Trust (CCT), the first commercial real estate investment trust (REIT) listed in Singapore which owns and invests in premier commercial properties in Singapore. With a total asset size of S\$7.2 billion as at 31 December 2013, CCT owns and manages over 3 million square feet of net lettable area in Singapore.

2. CAPITALAND CHINA

CapitaLand China, a leading foreign real estate developer in China, is a wholly-owned subsidiary of CapitaLand, one of Asia's largest real estate companies. CapitaLand China's operations, which began in Shanghai in 1994, span across the nation today. It has established core businesses in homes, commercial and mixed-use developments and real estate fund management, with a total development area of 16 million square metres. CapitaLand China manages seven real estate funds in China.

In line with its credo of 'Building People', CapitaLand China is committed to staff development

and creating a positive work environment where everyone can contribute effectively. CapitaLand China also makes effort to contribute positively to the Chinese community through its commitment to corporate social responsibilities.

3. CAPITAMALLS ASIA

CapitaMalls Asia is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. CapitaMalls Asia has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It has interests in and manages a pan-Asian portfolio of 105 shopping malls across 53 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$34.3 billion and a total GFA of approximately 98.5 million sq feet as at 31 December 2013.

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

CapitaMalls Asia's wholly-owned subsidiary, CapitaMall Trust Management Limited, manages CapitaMall Trust, the first and largest REIT in Singapore. Separately, CapitaMalls Asia's indirect wholly-owned subsidiary, CapitaRetail China Trust Management Limited, manages CapitaRetail China Trust, the first and only China shopping mall REIT in Singapore. In addition, CapitaMalls Asia's joint venture in Malaysia, CapitaMalls Malaysia REIT Management Sdn. Bhd., manages CapitaMalls Malaysia Trust, the only "pure play" shopping mall REIT in Malaysia with an income- and geographically-diversified portfolio of shopping malls.

4. THE ASCOTT LIMITED

The Ascott Limited is a Singapore company that has grown to be the world's largest international serviced residence owner-operator. It has about 23,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as over 10,000 units which are under development, making a total of more than 33,000 units in over 200 properties.

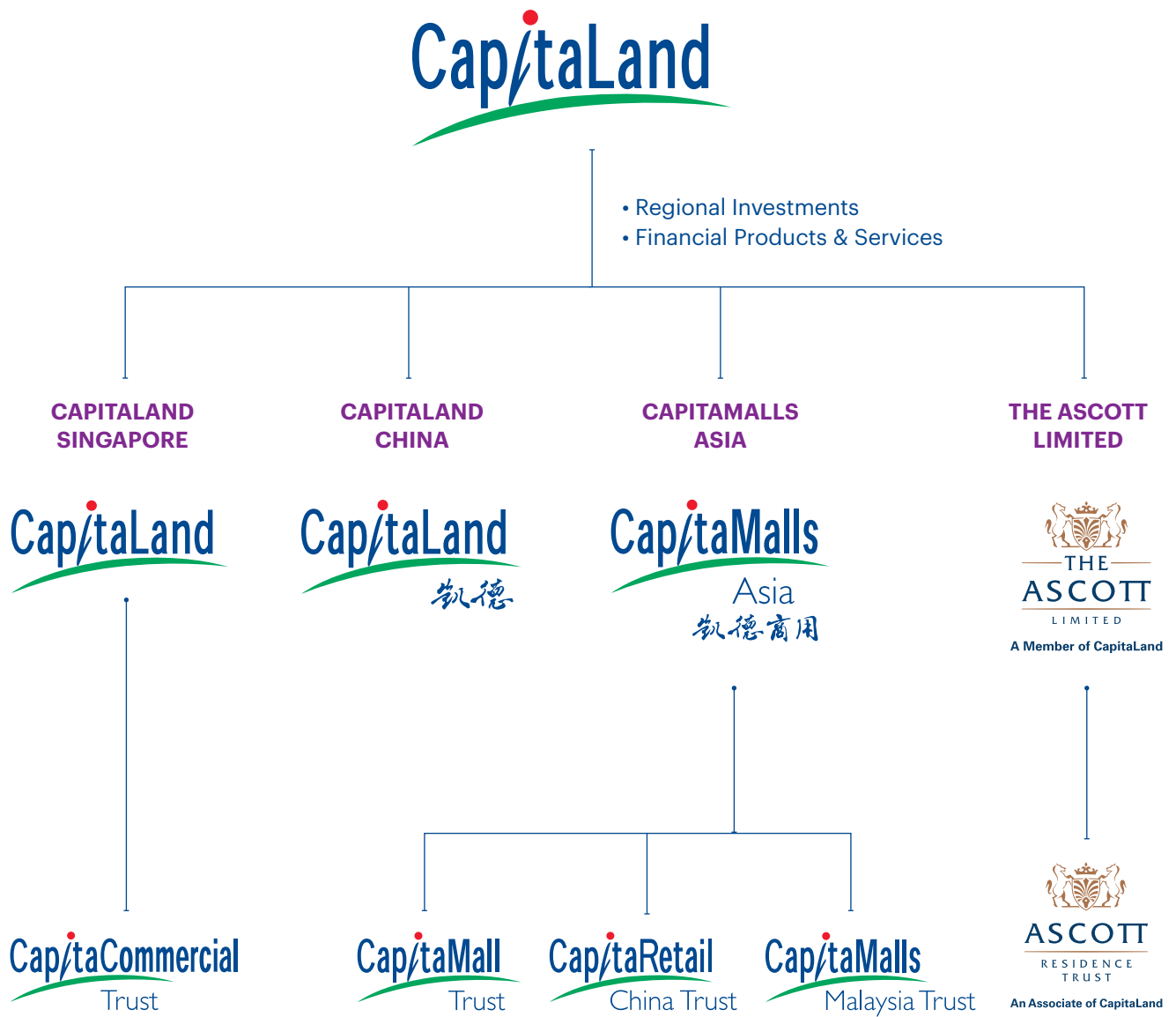
The company operates three brands – Ascott, Citadines and Somerset. Its portfolio spans 82 cities across more than 20 countries, 21 of which are new cities in Ascott's portfolio where its serviced residences are being developed.

The company is also the manager of Ascott Residence Trust, a REIT investing in serviced residences, rental housing properties and other hospitality assets, and listed in Singapore. Ascott Residence Trust has an asset size of S\$3.4 billion comprising 81 properties with 8,692 units in 32 cities across 12 countries in Asia Pacific and Europe.

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

CapitaLand's Regional Investments unit invests in and/or manages regional real estate investments that fall outside the four main business units. These include Australand, CapitaLand Vietnam, StorHub and Surbana International Consultants.

The Financial Products & Services unit provides oversight over the Group's REITs and private equity funds. It also creates and provides real estate financial products and services. It has an established track record in originating and structuring real estate financial products through providing credit enhancements for financing arrangement in relation to real estate assets. Its areas of focus also include originating, structuring and raising private real estate funds as well as listed REITs.



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

The Group's regional investments in Australand, CapitaLand Vietnam, StorHub and Surbana International Consultants, as well as real estate financial products and services, come under Group Headquarters.

CapitaLand Singapore

S\$2.44b
Sales Value

CapitaLand achieved strong sales in 2013, moving 1,260 homes with total sales value of S\$2.44 billion

S\$7.22b
Total Asset Size

CapitaCommercial Trust, CapitaLand's listed commercial REIT grew its portfolio to a total asset size of S\$7.22 billion as at end 2013 due to the portfolio's higher rental income

CapitaLand Singapore is one of Singapore's leading developers, managers and owners of homes, offices and mixed-use developments.

SINGAPORE PROPERTY MARKET

Singapore's residential market turned in home sales of 14,948 units in 2013, down 33% from the record 22,197 units sold in 2012. Price growth moderated from 2.8% in 2012 to 1.1% in 2013. This is due to the impact of several rounds of property cooling measures and the Total Debt Servicing Ratio policy which took effect from 29 June 2013.

Singapore's Central Business District (CBD) Grade A office rents registered a growth rate of 2.1% in 2013. The core CBD occupancy rate increased to 95.2% as at end 2013 compared to 92.2% a year ago. Given the limited supply of new CBD office space in the next two years, and improving market occupancy rate, office rents are expected to continue to increase.

QUALITY HOMES CATERING TO DIFFERENT MARKET SEGMENTS

CapitaLand achieved strong residential sales in 2013, moving 1,260 homes with total sales value amounting to S\$2.44 billion despite the challenging market conditions. During the year, the launch of Sky Vue, a joint venture development with Mitsubishi Estate Asia Pte Ltd, received overwhelming response. Over the launch weekend, 86% of the 505 units launched were sold, making Sky Vue the top selling project in Singapore in September 2013, and one of the top selling projects for the year. Located in the city fringe in Bishan, Sky Vue offers a selection of unit types, layouts and finishes. The convenience of being near an MRT and bus interchange as well as a shopping mall enhances

its appeal to first-time homeowners and upgraders.

In June 2013, CapitaLand successfully bid for a landed residential site in Coronation Road in a government land sales tender. Located in the prime Bukit Timah residential district and next to the Victoria Park good class bungalow area, the 37,441 sq m site will be developed into a premium landed housing development comprising semi-detached houses and bungalows.

In 2013, Temporary Occupation Permit (TOP) was obtained for a total of 1,269 units at Urban Resort Condominium, Urban Suites and The Interlace. To celebrate the early completion of the 1,040-unit The Interlace, CapitaLand organised a first-ever, large-scale TOP party in Singapore for owners and their families in September 2013 and it was well-attended.

In 2014, three projects will be launch-ready, namely, Marine Blue, a freehold lifestyle condominium in Marine Parade Road, a branded residential development in Cairnhill Road and a prestigious landed housing development in Coronation Road.

ENHANCING OFFICE PORTFOLIO IN SINGAPORE

In 2013, CapitaLand enhanced the value of its investments in Singapore's commercial properties through active portfolio management, asset upgrading and capital recycling.

The asset enhancement initiative at Six Battery Road was completed at an estimated cost of S\$85.8 million, lower than previously budgeted. The S\$40.0 million asset enhancement works at Capital Tower commenced in late 2013 and are expected to be completed in mid-2015.

CapitaCommercial Trust, CapitaLand's listed commercial REIT grew its portfolio to a total asset size of S\$7.22 billion as at end-December 2013 due to the portfolio's higher rental income.

Construction at CapitaGreen, a Grade A office tower is progressing on schedule and is expected to be completed end-2014. This will be the only Grade A office building in Singapore's CBD to be completed in 2014, well timed to benefit from the uptick in office market rents.

Two properties were sold in 2013 as part of the organisation's capital recycling and active portfolio management strategy. Technopark@Chai Chee, an industrial building was sold for S\$193.0 million in October 2013. In January 2014, Westgate Tower, the office component of the Westgate integrated development located in Jurong Gateway, was sold for S\$579.4 million. The sale is expected to generate a net gain of approximately S\$90.0 million based on CapitaLand Group's effective stake in the development.

INTEGRATED TOWNSHIP DEVELOPMENT IN ISKANDAR MALAYSIA

CapitaLand, Iskandar Waterfront Sdn Bhd and Temasek signed a Heads of Agreement in February 2013 to jointly acquire and develop land parcels in Danga Bay in Iskandar Malaysia. CapitaLand will take the lead in master-planning and project development of the



3.1 million square feet of freehold land on Danga Bay A2 island. The project is expected to generate a total gross development value of approximately RM8.0 billion (equivalent of S\$3.2 billion). Over a period of 10-12 years, the site will be developed into a premier waterfront community comprising approximately 6,000 high-rise and landed homes anchored by a central waterfront hub with a marina, shopping mall, F&B outlets, serviced residences, offices and recreational facilities. The first phase of the development, a high-rise condominium of approximately 900 units, will be launch-ready in 2014.

1. WEN KHAI MENG

Chief Executive Officer,
CapitaLand Singapore

2. WONG HEANG FINE

Chief Executive Officer, Residential,
CapitaLand Singapore

3. LYNETTE LEONG

Chief Executive Officer,
CapitaCommercial Trust Management Limited

CapitaLand China

CapitaLand has grown to become one of the largest foreign real estate developers by GFA in China with a diversified real estate portfolio including homes, offices, shopping malls, serviced residences, mixed-use developments and real estate fund management.

70,000

Residential Units

Following the integration, CapitaLand China has a pipeline of approximately 70,000 residential units

In 2013, both CapitaValue Homes and Surbana's residential development business were integrated into CapitaLand China's business to allow for better synergy and economies of scale. Following the integration, CapitaLand China has a pipeline of approximately 70,000 residential units.

STABLE RESIDENTIAL SALES

CapitaLand China is positive about the property market in the long-term as urbanisation, growing affluence and increasing domestic consumption will generate demand. By end 2013, CapitaLand China sold more than 7,600 residential units including those from the township business with a total sales value of RMB8.5 billion (S\$1.70 billion), translating into an increase of approximately 16% year-on-year in terms of units sold. The residential sales were mainly from The Loft in Chengdu, The Metropolis in Kunshan, Dolce Vita in Guangzhou, La Botanica in Xi'an and The Botanica in Chengdu. 272 residential units of The Metropolis in Kunshan were launched in 4Q 2013, and fully sold during the launch.

COMPETITIVE EDGE WITH MIXED-USE DEVELOPMENTS

By leveraging its core competencies in homes, offices, shopping malls and serviced residences, CapitaLand will focus on mixed-use development projects in China to increase its competitive advantage. Currently it has eight Raffles City branded developments in China,

with a construction floor area of approximately 3.1 million sqm.

Raffles City Shanghai and Raffles City Beijing continue with stable performance and strong rental growth. Raffles City Ningbo (RCN) and Raffles City Chengdu (RCC) which opened in 2012 performed well last year. RCN had a 97% committed occupancy of its retail mall and an average monthly traffic of approximately 500,000 shoppers. RCC held its first year anniversary celebration in September 2013 and opened Ascott Raffles City Chengdu in 4Q 2013. RCC's retail mall achieved an average traffic of approximately 700,000 shoppers per month. Separately, Raffles City Shenzhen (RCSZ) Phase 1 - iPark (Block B) was handed over, while the development's shopping mall is targeted to open in 2016. RCSZ shopping mall and the international Grade A office were conferred the Leadership in Energy and Environmental Design (LEED) Gold-level Pre-Certification. Raffles City Hangzhou has achieved 80% structural completion and will open in 2015. The construction of Raffles City Changning and Raffles City Chongqing is in progress and the developments are targeted to open in 2016 and 2018 respectively.

CapitaLand China acquired 70% stake in Shanghai Guang Chuan Property Co., Ltd. which owns two plots of land with a total GFA of

CapitaLand will focus on mixed-use development projects in China to increase its competitive advantage

approximately 105,000 sqm in Hanzhonglu, Zhabei District, within the inner ring of Shanghai, for an aggregate cash consideration of RMB1.95 billion (approximately S\$397.5 million). These two plots of land will be developed into a mixed-use development comprising residential, office and retail components. This acquisition is in line with CapitaLand China's mixed-use development strategy.

In line with its strategic objective of strengthening and deepening its presence in China, a tripartite agreement was signed with the Guangzhou Municipal Liwan District Cai Hong Street Xijiao Village Co-operative and Guangzhou Municipal Liwan District Urban Renewal to develop Phase 1 of Datansha Island. Datansha Island is a waterfront site located in Liwan District in

the western part of downtown Guangzhou and has a land area of 3.55 million sqm. CapitaLand will introduce urban planning and community management expertise garnered from its experience from Singapore into this project.

LEADING REAL ESTATE FUND MANAGER IN CHINA

CapitaLand has one of the largest real estate fund management businesses with assets located in Asia. Its experience and domain knowledge in managing real estate funds is ahead of local competitors. With the integration of CapitaLand's township business of its two real estate funds, namely CapitaLand Township Development Fund I (US\$250.0 million) and Fund II (US\$200.0 million), CapitaLand China manages seven real estate funds in China. This provides a good platform for investors to be

involved in China's real estate business development.

20 YEARS IN CHINA

CapitaLand celebrates its 20th anniversary in China in 2014. Over the past 19 years, CapitaLand has grown to become the largest foreign real estate developer in China, bringing advanced and innovative real estate concepts to the Chinese market. 20 years is a significant milestone.

China is and will continue to be CapitaLand's core market. CapitaLand China will focus on targeting first-time homebuyers and upgraders and will deepen its presence in the five key city clusters in China. It will also seek opportunities to acquire new sites to build mixed-use developments to further sharpen its competitive edge.



The Loft, Chengdu, China

1. JASON LEOW

Chief Executive Officer,
CapitaLand China

2. LUCAS LOH

Deputy Chief Executive Officer,
Chief Investment Officer,
Regional General Manager (South China),
CapitaLand China

3. CHAN BOON SENG

Deputy Chief Executive Officer,
Chief Development Officer,
CEO of Raffles City Chongqing,
CapitaLand China

4. STEVE GONG

Chief Financial Officer,
CapitaLand China

CapitaMalls Asia

105

Shopping Malls

Across 53 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$34.3 billion and a total gross floor area (GFA) of approximately 98.5 million square feet

CapitaMalls Asia (CMA) continues to deliver a strong set of financial results in 2013.

Despite the volatile macro environment, Asia's economic growth outperformed the rest of the world in 2013. CapitaMalls Asia's (CMA) malls in its key markets of Singapore, China and Malaysia continued their good performances, recording increases in net property income and tenants' sales and strong shopper traffic. Its malls in China performed

especially well, recording an increase of 13.1% in net property income (NPI).

CMA owns and manages 105 shopping malls across 53 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$34.3 billion and a total gross floor area (GFA) of approximately



Luwan integrated development, Shanghai, China

98.5 million square feet. Of these, 85 malls are operational while the other 20 are under development.

BUILDING ON INFLECTION POINT

Building on its inflection point in 2012 – when more than 50% of its malls in China by net asset value became operational – CMA continued to expand its base for recurring earnings by opening four CapitaMalls in 2013, bringing the total number of operational malls in Singapore and China to 70. These were Westgate and Bedok Mall in Singapore, and CapitaMall Meilicheng and the second phase of CapitaMall Jinniu – which is 1.5 times the size of the first phase – in Chengdu, China.

To continue its growth and build relevant scale, particularly in the key gateway cities in China, CMA committed a total of more than S\$2.2 billion in new investments in 2013. These were for acquisitions of stakes in four malls: one in Singapore (Project Jewel, a 49:51 joint venture with Changi Airport Group to develop an iconic mixed-use development at Changi Airport) and three in China (CapitaMall SKY+ in Guangzhou – its first mall in the strategic first-tier city; a mall at Gutian in Wuhan – its fourth in the provincial capital, which is a major transport and commercial hub in Central China; and CapitaMall Grand Canyon in Beijing, which was acquired by CapitaRetail China Trust, as CMA's 10th mall in the capital).

To further optimise its balance sheet, CMA recycled capital by injecting three China malls under

development – CapitaMall 1818 in Wuhan, CapitaMall Xinduxin in Qingdao and its integrated development in the Luwan district in Shanghai – by transferring its stakes to CapitaMalls China Development Fund III. This is CMA's largest private equity fund, and its fourth fund on China.

MOVING FORWARD

CMA looks ahead to 2014 with confidence, as its key markets of Singapore, China and Malaysia are poised for continued growth. In 2014, CMA targets to open four new CapitaMalls: two each in China – CapitaMall Tianfu in Chengdu and CapitaMall SKY+ – and India (in Hyderabad and Mangalore).

CMA remains focused on sharpening its execution to secure and grow stable and resilient underlying income. It will continue to deepen its presence in key gateway cities and to grow scale, to ride on Asia's consumption growth.

Total of more than
s\$2.2b
in new investments

To continue its growth and build relevant scale, particularly in the key gateway cities in China, CMA committed a total of more than S\$2.2 billion in new investments in 2013

1. LIM BENG CHEE

Chief Executive Officer,
CapitaMalls Asia Limited

2. SIMON HO

Deputy Chief Executive Officer,
CapitaMalls Asia Limited

3. NG KOK SIONG

Chief Financial Officer,
CapitaMalls Asia Limited

4. WILSON TAN

Chief Executive Officer,
CapitaMall Trust Management Limited

5. TONY TAN

Chief Executive Officer,
CapitaRetail China Trust Management Limited

6. SHARON LIM

Chief Executive Officer,
CapitaMalls Malaysia REIT Management Sdn Bhd

CapitaLand's serviced residence business unit, Ascott, has an international portfolio of quality serviced residences which it actively manages and enhances through its award winning brands and operations. In 2013, Ascott continued to deliver on its growth strategy by seizing the opportunity to acquire an operating serviced residence in Hong Kong and realised the value of some assets at the optimal time. Ascott also continued to actively focus on asset enhancement initiatives to create real estate value and enhance returns. The year ended with Ascott having achieved a milestone of over 33,700 apartment units in 231 properties across more than 82 cities in Asia Pacific, Europe and the Gulf region. Looking ahead, Ascott will actively look for investments in key gateway cities to underpin future earnings and maximise returns.

ACQUISITIONS AND CAPITAL RECYCLING FOR OPTIMAL RETURNS

Ascott continued to seize market opportunities to optimise returns by pursuing acquisitions. In August 2013, it acquired an operating serviced residence in Hong Kong for HK\$462.3 million (approximately S\$74.9 million), further expanding its footprint in Hong Kong. Ascott adopts a prudent approach towards acquisitions, focusing on key gateway cities where it is able to add real estate value through asset reconfiguration and repositioning. Its geographically diversified business allows it to maintain a counter cyclical approach towards its investments.

Ascott China Fund, which is 36.1% owned by Ascott, also made its maiden divestment to Ascott's 45.3% owned associate company, Ascott Residence Trust. Its share of divestment proceeds arising from the divestment of Citadines Biyun Shanghai and Somerset Heping Shenyang will enable Ascott to unlock value and reinvest in further acquisitions.

ACTIVE PORTFOLIO MANAGEMENT TO CREATE REAL ESTATE VALUE

In FY 2013, Ascott continued to focus on active asset enhancement initiatives to reposition and

upgrade its products by reconfiguring the layout of public space and rooms to maximise returns and enhance experience for its customers. In FY 2013, more than S\$70 million was invested to refurbish various properties owned by Ascott and its associates in Asia and Europe. It maintains a disciplined approach towards its asset enhancement initiatives and targets a payback period of no more than five years for each refurbishment it undertakes.

To date, Ascott has delivered on its asset enhancement initiatives to generate returns. For example, in Paris, Average Daily Rate (ADR) increased by approximately 40% following the refurbishment of Citadines Suites Lourve Paris, and the completion of the first phase of refurbishment for Somerset Xu Hui Shanghai lifted ADR by approximately 35% for the renovated rooms.

SHARPENING COMPETITIVENESS AND LEVERAGING ON BRAND EQUITY TO INCREASE HOSPITALITY FEE INCOME

In FY 2013, Ascott secured 21 management contracts and added close to 3,700 apartment units to its portfolio. This represents a 31.0% year-on-year increase from 2,800 units in 2012.

Ascott also entered into seven new cities in China, Saudi Arabia, India and Thailand.

In China, Ascott delivered on its strategy to deepen its presence and build operational scale. In November 2013, Ascott announced that it had crossed the milestone of having 10,000 apartment units in its key market of China, cementing its leadership position as the largest international serviced residence owner-operator in the country with 56 properties across 20 cities. This brings Ascott closer to its target of achieving 12,000 apartment units in China by 2015.

Partnerships with property developers such as Yuexiu Property Company Limited to manage its serviced residences is testament to Ascott's track record in the serviced residence industry. Ascott will continue to work with property developers in China and leverage on its competitive advantage and knowledge of the China market to drive hospitality fee income.

Ascott's award-winning properties and service improvements continue to enjoy worldwide recognition as preferred accommodation for business

and leisure travelers. In 2013, Ascott was recognised with 115 accolades, exceeding the 79 garnered in 2012, cementing its position as the global serviced residence industry leader. Among the many prestigious awards, Ascott was named the 'World's Leading Serviced Apartment Brand' at the 2013 World Travel Awards. It is hailed as the 'Oscars' of the travel industry to honour the best travel and hospitality companies that push the boundaries of product and service excellence.

To enhance customer experience, Ascott introduced new web and mobile booking features to enable faster searches for its properties, and a more comprehensive, user-friendly reservation service. To cater to the needs of the modern traveller, Ascott now offers free internet access across more than 100 properties worldwide to guests who make a reservation through its website under its Best Flexible Rates.

In FY 2013, Ascott's hospitality management and service fee income remained stable at S\$125.0 million. Overall, Revenue Per Available Unit (RevPAU) grew by 3% to S\$120 in FY 2013, driven mainly by growth across China and Europe.

LOOKING AHEAD

Ascott will continue to focus on asset reconstitution by acquiring and divesting properties at the optimal time. It will seek acquisition opportunities in key gateway cities to maximise returns and underpin future earnings.



In 2014, approximately S\$90 million is expected to be incurred to renovate and upgrade properties owned by Ascott and its associates in Asia and Europe.

Ascott will also continue to secure more management contracts to increase operating scale in countries that it is already operating in to achieve its target of 40,000 apartment units globally by 2015. As Ascott has reached optimal operational scale, Ascott expects fees from additional management contracts to directly boost earnings and improve ROE.

Over 33,700 Apartment Units

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

1. LEE CHEE KOON

Chief Executive Officer,
The Ascott Limited

2. TAY BOON HWEE, RONALD

Chief Executive Officer,
Ascott Residence Trust Management Limited

Regional Investments

s\$2.74b

The Group's result was underpinned by growth in earnings from its A\$2.4 billion (S\$2.74 billion) investment property portfolio

CapitaLand's Regional Investments unit manages regional real estate investments that fall outside the four main business units. These include Australand, CapitaLand Vietnam, StorHub and Surbana International Consultants Pte Ltd.

AUSTRALAND PROPERTY GROUP

Australand Property Group successfully delivered a 4% increase in operating profit to A\$147.9 million (S\$169 million) in 2013. Statutory profit for the year was A\$135.3 million (S\$154.6 million).

The Group's result was underpinned by growth in earnings from its A\$2.4 billion

(S\$2.74 billion) investment property portfolio. Equally weighted to office and industrial sectors, the investment portfolio continues to retain high quality tenants and has a long dated lease expiry profile with contracted rental growth. The development of the Rhodes F office building in Sydney was completed in 2013 and is a quality addition to the portfolio.

The Commercial & Industrial development division completed a number of new industrial/logistics facilities during the year, with an end value of approximately A\$440 million (S\$502.9 million),



Mulberry Lane, Hanoi, Vietnam

and secured over 160,000 square metres of new commitments from industrial tenants.

The Residential division delivered 1,875 lot sales in 2013, representing a 5% increase over 2012. The Australian residential market continues to be supported by sound fundamentals and the division remains well positioned with over 19,000 lots under management in its development pipeline with an estimated end value of A\$7.5 billion (S\$8.57 billion) underpinning future earnings.

In November 2013, CapitaLand conducted a partial placement

of its holding in Australand, reducing its stake from 59.1% to 39.1%. In March 2014, it placed out its remaining stake in Australand.

CAPITALAND VIETNAM

In 2013, CapitaLand celebrated the 19th anniversary of its entry into Vietnam with the move of its Vietnam Head Office to its own development The Vista in District 2, Ho Chi Minh City. Today, CapitaLand Vietnam is one of the top foreign developers in the country, with a strong presence in residential projects and serviced residences.

During the year, the transaction volume for home sales picked up significantly. The achieved selling prices increased over the previous year supported by improved market conditions, increased buyer confidence and a limited supply of good quality residential projects. In 2013, CapitaLand Vietnam sold close to 370 homes in Ho Chi Minh City and Hanoi.

The Vista in Ho Chi Minh City, CapitaLand's first residential project in Vietnam, obtained "pink book" status (the equivalent of strata title in Singapore). In addition, the commercial component of The Vista comprising an office tower, retail mall, corporate leasing of apartments, and Somerset Vista, commenced operations and performed well. CapitaLand's residential project PARCSpring in Ho Chi Minh City launched for sale and received good demand from the market.

In Hanoi, Phase 1 (3 blocks) of Mulberry Lane was completed in October 2013 and these

370 Homes

In 2013, CapitaLand Vietnam sold close to 370 homes in Ho Chi Minh City and Hanoi



1. OLIVIER LIM

Group Deputy Chief Executive Officer,
CapitaLand Limited

2. CHONG LIT CHEONG

Chief Executive Officer, Regional Investments,
CapitaLand Limited

3. CHEN LIAN PANG

Chief Executive Officer,
CapitaLand Vietnam

Regional Investments

More than 10,000 Storage Units

StorHub is now the largest self-storage operator in Singapore with more than 10,000 storage units across 11 facilities spanning over a million square feet

Surbana International Consultants targets to grow its overseas business in revenue from its current 20% to 50%, by building on its presence in China, Malaysia, Africa and other emerging markets

have since been handed over to homebuyers. Phase 2 is on track and is targeted to be completed by the second quarter of 2014.

Looking ahead, Vietnam continues to offer good opportunities given the demographic and urbanisation trends. As a long-term developer in Vietnam, CapitaLand is confident of the country's economic fundamentals and the development of the real estate market. We continue to look for opportunities to grow our business there.

STORHUB

In April 2013, StorHub became CapitaLand's wholly-owned subsidiary after the remaining 38% interest was acquired. Just a few months later in July 2013, Big Orange Self Storage was acquired. Following that, StorHub rebranded its logo to feature a modern look while preserving its iconic happy face identity in its corporate blue and yellow.

StorHub is now the largest self-storage operator in Singapore with more than 10,000 storage units across 11 facilities spanning over a million square feet. It also has a facility in Shanghai, China.

The expanded operations offer greater economies of scale and allow self-storage facilities to be offered at convenient locations in Singapore.

SURBANA INTERNATIONAL CONSULTANTS

Surbana Corporation was restructured on 1 April 2013 splitting the township development business and

the consultancy services business into two entities. The township development business has been integrated with CapitaLand China.

The consultancy services business has been refocused. Surbana International Consultants targets to double its revenue in five years from its range of multidisciplinary services including new sectors like underground engineering, aviation and healthcare. It also targets to grow its overseas business in revenue from its current 20% to 50%, by building on its presence in China, Malaysia, Africa and other emerging markets.

Financial Products & Services

CapitaLand's Financial Products & Services unit provides oversight over the Group's Real Estate Investment Trusts (REITs) and private equity funds. It also creates and provides real estate financial products and services. It has an established track record in originating and structuring real estate financial products including providing credit enhancements for financing arrangements in relation to real estate assets. Its areas of focus also include originating, structuring and raising private real estate funds as well as listed REITs.

The Group also works closely with capital partners including sovereign wealth funds, banks, insurance companies and family offices worldwide.

The Group manages a total of six REITs and 16 private equity (PE) funds with aggregate Assets Under Management (AUM) of S\$41.0 billion. The majority of the assets are located in the core markets of Singapore (42%) and China (44%). Total management fees for PE funds and REITs received by the Group in 2013 totaled S\$178.0 million.

CapitaLand's REITs have a recognised track record of adding value through portfolio reconstitution, acquisition, development, asset enhancements, proactive leasing and capital management.

CapitaMall Trust (CMT) completed various asset enhancement works at Clarke Quay, Junction 8, IMM Building and Bugis Junction. CMT also announced that asset enhancement works at Tampines Mall will start in the first quarter of 2014. Westgate commenced mall operations on 2 December 2013 and a consortium has entered into sales and purchase agreements to purchase Westgate Tower for a

total consideration of approximately S\$579.4 million.

CapitaCommercial Trust completed an asset enhancement for Six Battery Road at an estimated cost of S\$85.8 million and announced a S\$40.0 million asset enhancement for Capital Tower which is expected to be completed in the second quarter of 2015.

Ascott Residence Trust (ART) continued to pursue yield-accretive acquisitions in 2013 by purchasing S\$287.4 million worth of assets, funded by the proceeds of S\$150.0 million raised from an equity placement in January 2013. The acquired assets include three serviced apartments in China namely Somerset Heping Shenyang, Citadines Biyun Shanghai and Citadines Xinghai Suzhou, as well as 11 rental housing properties in key cities outside Tokyo, Japan. In December 2013, ART had a 1-for-5 rights issue to raise approximately S\$253.0 million. The rights issue proceeds will enhance ART's financial ability to pursue potential acquisitions in key gateway cities.

CapitaRetail China Trust continued its growth with the acquisition of CapitaMall Grand Canyon in Beijing, enlarging its portfolio to 10 shopping malls. It will enjoy an uplift in returns once the major asset enhancement works that CapitaMall Minzhongleyuan is currently undergoing is completed in the second quarter of 2014.

REITs and fund management remain the cornerstone of CapitaLand's business model. CapitaLand will continue to grow AUM through accretive acquisitions, developments and asset enhancements. It will also seek opportunities to originate new real estate PE funds and real estate financial products.

CapitaLand's REITs have a recognised track record of adding value through portfolio reconstitution, acquisition, development, asset enhancements, proactive leasing and capital management

1. OLIVIER LIM
Group Deputy Chief Executive Officer,
CapitaLand Limited

2. JOHN PANG
Managing Director,
CapitaLand Financial Limited

Portfolio Details

A diversified, well located, high quality property portfolio, providing both scale and synergies to position the Group for the future.

1



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3



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5

1. **RESIDENTIAL**
The Metropolis, Kunshan, China
2. **MIXED-USE DEVELOPMENT**
Hanzhonglu mixed-use development, Shanghai, China
3. **COMMERCIAL**
CapitaGreen, Singapore
4. **SHOPPING MALL**
Hongkou Plaza, Shanghai, China
5. **SERVICED RESIDENCE**
Ascott Central Wuxi, China

Mixed-Use Development

As at 31 December 2013

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure (Years)
COMPLETED PROJECTS				
CHINA				
Raffles City Beijing	Dongcheng District, Beijing	49.8%	110,996	40 (Retail) 50 (Integrated Use)
Raffles City Ningbo	Jiangbei District, Ningbo	49.8%	101,405	40
Raffles City Shanghai	Huangpu District, Shanghai	27.8%	139,593	50
SINGAPORE				
Bedok Mall ¹	New Upper Changi Road/ Bedok North Drive	82.7%	30,478	99 years, expiring in November 2110
ION Orchard ²	Orchard Road	32.7%	87,727	99 years, expiring in March 2105
Raffles City Singapore	North Bridge Road/Stamford Road/Bras Basah Road	26.6%	320,490	99 years, expiring in July 2078
The Orchard Residences ²	Orchard Road	32.7%	38,243	99 years, expiring in March 2105
Westgate ³	Boon Lay Way	52.7%	55,178	99 years, expiring in August 2110
UNDER DEVELOPMENT				
CHINA				
Raffles City Changning	Changning District, Shanghai	36.8%	255,458	50
Raffles City Chengdu	Wuhou District, Chengdu	49.8%	240,527	40
Raffles City Chongqing	Yuzhong District, Chongqing	51.7%	817,000	70 (Residential) 40 (Commercial)
Raffles City Hangzhou	Qianjiang New Town, Hangzhou	49.8%	299,568	40
Raffles City Shenzhen	Nanshan District, Shenzhen	73%	258,980	50
SINGAPORE				
Bedok Residences ¹	New Upper Changi Road/ Bedok North Drive	82.7%	63,652	99 years, expiring in November 2110
ION Orchard Link ²	Orchard Road	32.7%	450	99 years, expiring in March 2105
Site at Cairnhill Road	Cairnhill Road	100%	46,611	99
Westgate Tower ³	Boon Lay Way	52.7%	35,592	99 years, expiring in August 2110
FUTURE DEVELOPMENT				
CHINA				
Hanzhonglu Commercial (Plot 95)	Zhabei District, Shanghai	70%	75,000	40 (Retail) 50 (Office)

¹ Bedok Mall and Bedok Residences combined is a mixed-use development.

² ION Orchard, The Orchard Residences and ION Orchard Link combined is a mixed-use development.

³ Westgate and Westgate Tower combined is a mixed-use development. In January 2014, Westgate Tower was sold for S\$579.4 million.

Residential

As at 31 December 2013

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
COMPLETED PROJECTS					
SINGAPORE					
Latitude	Jalan Mutiara	100%	24,413	127	Freehold
The Interlace	Alexandra Road/ Depot Road	60%	169,600	1,040	99
The Seafront on Meyer	Meyer Road	100%	52,474	327	Freehold
The Wharf Residence	Tong Watt Road	100%	27,168	186	999
Urban Resort Condominium	Cairnhill Road	100%	14,890	64	Freehold
Urban Suites	Cairnhill Road	50%	24,263	165	Freehold
CHINA					
Beaufort (Block 2 and 3)	Chaoyang District, Beijing	50%	43,610	448	70
Beau Residences	Chancheng District, Foshan	100%	47,086	648	70
Central Park City (Phase 1 & 2)	Binhu District, Wuxi	6%	360,646 (Residential) 3,415 (Commercial)	3,075	70 (Residential) 40 (Commercial)
La Botanica (Phase 1 & 2)	Baqiao District, Xian	15.2%	406,038 (Residential) 1,500 (Commercial)	3,269	70 (Residential) 40 (Commercial)
Lake Botanica (Phase 2)	Yuhong District, Shenyang	24%	121,793 (Residential) 1,486 (Commercial)	1,453	50 (Residential) 40 (Commercial)
Riverside Ville	Chancheng District, Foshan	100%	110,573 (Residential) 2,540 (Commercial)	758	70 (Residential) 40 (Commercial)
The Botanica (Phase 2, 4 to 6)	Jinjiang District, Chengdu	6.1%	549,347 (Residential) 5,188 (Commercial)	5,562	70 (Residential) 40 (Commercial)
The Loft (Phase 1 and 2)	Qingyang District, Chengdu	56.3%	458,469 (Residential) 1,383 (Commercial)	4,446	70 (Residential) 40 (Commercial)
The Pinnacle	Pudong District, Shanghai	80%	52,844 (Residential) 270 (Commercial)	539	70 (Residential) 40 (Commercial)
The Riviera	Chancheng District, Foshan	100%	58,254	208	70

Residential

As at 31 December 2013

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
COMPLETED PROJECTS <i>(continued)</i>					

JAPAN

The Parkhouse Shinjuku Tower	Shinjuku Ward, Tokyo	20%	30,220 (including car park and M&E rooms)	298	Freehold
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VIETNAM

Mulberry Lane	Ha Dong District, Hanoi	70%	235,853	1,478	Freehold (50-year leasehold applicable to foreigners)
The Vista	District 2, HCMC	80%	190,074	850 (including 100-unit serviced residence with 50 year leasehold)	Freehold (50-year leasehold applicable to foreigners)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Expected Date of Completion	Approx % of Completion
UNDER DEVELOPMENT							

SINGAPORE

d'Leedon	Leedon Heights/ King's Road/Farrer Road	35%	218,519	1,715	99	2014	80%
Marine Blue	Marine Parade Road	100%	9,986	124	Freehold	2016	2%
Sky Habitat	Bishan Street 15	65%	58,786	509	99	2015	39%
Sky Vue	Bishan Street 15	75%	55,016	694	99	2017	3%
The Nassim	Nassim Hill	100%	15,942	55	Freehold	2014	78%

CHINA

99 Hengshan Road	Xuhui District, Shanghai	100%	14,870	90	50	2014	55%
Central Park City (Phase 3)	Binhu District, Wuxi	6%	158,584 (Residential) 2,968 (Commercial)	1,484	70 (Residential) 40 (Commercial)	2015	10%
Dolce Vita (Phase 1)	Baiyun District, Guangzhou	47.5%	128,380 (Residential) 1,800 (Commercial)	1,033	70 (Residential) 40 (Commercial)	2014	96%
Dolce Vita (Phase 2)	Baiyun District, Guangzhou	47.5%	36,380 (Residential) 3,615 (Commercial)	378	70 (Residential) 40 (Commercial)	2014	85%
Dolce Vita (Phase 3)	Baiyun District, Guangzhou	47.5%	28,400	124	70	2015	32%
Imperial Bay	Gongshu District, Hangzhou	50%	84,139 (Residential) 707 (Commercial)	462	70 (Residential) 40 (Commercial)	2014	96%
La Botanica (Phase 3)	Baqiao District, Xi'an	15.2%	332,116	3,758	70	2014	92%
La Botanica (Phase 4)	Baqiao District, Xi'an	15.2%	152,379 (Residential) 7,200 (Commercial)	1,997	70 (Residential) 40 (Commercial)	2016	19%

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Unit	Tenure (Years)	Expected Date of Completion	Approx % of Completion
UNDER DEVELOPMENT <i>(continued)</i>							
La Botanica (Phase 5)	Baqiao District, Xi'an	15.2%	66,677	612	70	2015	75%
La Cité Foshan	Chancheng District, Foshan	100%	72,388 (Residential) 8,841 (Commercial)	879	70 (Residential) 40 (Commercial)	2014	91%
Lake Botanica (Phase 3)	Yuhong District, Shenyang	24%	161,802 (Residential) 2,424 (Commercial)	2,003	50 (Residential) 40 (Commercial)	2015	59%
Lake Botanica (Phase 4)	Yuhong District, Shenyang	24%	135,590 (Residential) 4,208 (Commercial)	1,472	50 (Residential) 40 (Commercial)	2016	40%
Lian Mansion	Pudong District, Shanghai	80%	49,192 (Residential) 274 (Commercial)	398	70 (Residential) 40 (Commercial)	2016	12%
New Horizon	Pudong District, Shanghai	95%	85,951 (Residential) 358 (Commercial)	970	70	2015	36%
Parc Botanica (Phase 1)	Longquanyi District, Chengdu	22.4%	149,599 (Residential) 28,637 (Commercial)	1,700	70 (Residential) 40 (Commercial)	2015	62%
Riverfront	Gongshu District, Hangzhou	100%	69,633 (Residential) 725 (Commercial)	686	70 (Residential) 40 (Commercial)	2015	11%
Summit Residences (Plot 1)	Jiangbei District, Ningbo	50%	10,209	38	70	2014	50%
The Botanica (Phase 7)	Jinjiang District, Chengdu	6.1%	200,360	2,084	70	2014	83%
The Lakeside (Phase 1)	Caidian District, Wuhan	100%	89,048 (Residential) 3,707 (Commercial)	1,040	70 (Residential) 40 (Commercial)	2014	78%
The Metropolis (Phase 1)	Huaqiao District, Kunshan	70%	166,220	1,542	70	2014	91%
The Metropolis (Phase 5)	Huaqiao District, Kunshan	70%	51,946 (Residential) 503 (Commercial)	540	70 (Residential) 40 (Commercial)	2016	11%
The Paragon	Luwan District, Shanghai	99%	75,353 (Residential) 3,085 (Commercial)	283	70 (Residential) 40 (Commercial)	2014	88%
Tianjin International Trade Centre	Hexi District, Tianjin	100%	111,732 (Residential) 70,581 (Commercial)	1,305	50	2014	53%
Vista Garden	Nansha District, Guangzhou	100%	191,673 (Residential) 40,560 (Commercial)	2,027	70 (Residential) 40 (Commercial)	2017	10%

Residential

As at 31 December 2013

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Expected Date of Completion	Approx % of Completion
UNDER DEVELOPMENT <i>(continued)</i>							
JAPAN							
The Parkhouse Nishi Azabu	Minato Ward, Tokyo	20%	23,825 (estimated)	190	Freehold	2014	81%
VIETNAM							
Beau Rivage (Phase 1 of Thanh My Loi Site)	District 2, HCMC	30%	191,122	962	Freehold (50-year leasehold applicable to foreigners)	2017	10%
PARCSpring (Phase 1)	District 2, HCMC	47.5%	38,597	402	Freehold (50-year leasehold applicable to foreigners)	2014	92%
Name	Location		Effective Stake (%)	Gross Floor Area (sqm)		Total No. of Units	Tenure (Years)
FUTURE DEVELOPMENTS							
SINGAPORE							
Site at Coronation Road	Coronation Road		100%	33,857		109	99
Site at Yio Chu Kang Road	Yio Chu Kang Road		100%	19,330		80 (estimated)	Freehold
CHINA							
Beaufort (Phase 4)	Chaoyang District, Beijing		50%	5,000		37 (estimated)	70
Central Park City (Phase 4)	Binhu District, Wuxi		6%	77,458 (Residential) 52,700 (Commercial)		780 (estimated)	70 (Residential) 40 (Commercial)
Dolce Vita (Phase 4)	Baiyun District, Guangzhou		47.5%	154,685		1,261 (estimated)	70
Hanzhonglu Residential (Plot 92)	Zhabei District, Shanghai		70%	26,912 (Residential) 2,626 (Commercial)		138 (estimated)	70 (Residential) 40 (Commercial)
La Botanica (Phase 6-16)	Baqiao District, Xian		15.2%	1,915,590 (Residential) 44,050 (Commercial)		19,456 (estimated)	50 (Residential) 40 (Commercial)
Lake Botanica (Phase 5-8)	Yuhong District, Shenyang		24%	602,409 (Residential) 40,358 (Commercial)		7,840 (estimated)	50 (Residential) 40 (Commercial)
LFIE	Panyu District, Guangzhou		45%	1,107,097 (Residential) 6,577 (Commercial)		8,977 (estimated)	70 (Residential) 40 (Commercial)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
FUTURE DEVELOPMENTS					
CHINA					
Parc Botanica (Phase 2)	Longquanyi District, Chengdu	22.4%	176,307 (Residential)	1,897 (estimated)	70 (Residential)
			7,704 (Commercial)		40 (Commercial)
The Botanica (Phase 8)	Jinjiang District, Chengdu	6.1%	35,715 (Commercial)		40
The Lakeside (Phase 2)	Caidian District, Wuhan	100%	127,272	1,464 (estimated)	70
The Metropolis (Phase 2-4 and 6)	Huaqiao District, Kunshan	70%	358,124 (Residential)	3,662 (estimated)	70 (Residential)
			73,180 (Commercial)		40 (Commercial)
Vermont Hills	Changping District, Beijing	80%	255,269 (Residential)	766 (estimated)	70 (Residential)
			4,742 (Commercial)		40 (Commercial)
Wanxiang II site	Pudong District, Shanghai	95%	65,945 (Residential)	733 (estimated)	70 (Residential)
			15,656 (Commercial)		40 (Commercial)
VIETNAM					
Thanh My Loi Site (Phase 2)	District 2, HCMC	30%	40,000 (estimated)	78 (includes 28 shop houses)	Freehold (50-year leasehold applicable to foreigners)
Mo Lao Site	Ha Dong District, Hanoi	35%	198,400 (estimated)	1,300	Freehold (50-year leasehold applicable to foreigners)
Binh Chanh Site	Binh Chanh District, HCMC	65%	75,000 (estimated)	849	Freehold (50-year leasehold applicable to foreigners)
PARCSpring (Phase 2)	District 2, HCMC	47.5%	52,000 (estimated)	570	Freehold (50-year leasehold applicable to foreigners)

Commercial

As at 31 December 2013

Name	Location	CL Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)
COMPLETED PROJECTS				
OFFICE				
SINGAPORE				
PWC Building	Cross Street	30%	33,080	99
CHINA				
Corporation Park	Sha Tin, Hong Kong	30%	40,099	54
Innov Tower	Xuhui District, Shanghai	100%	40,445	50
JAPAN				
Shinjuku Front Tower	Shinjuku Ward, Tokyo	20%	92,092 (GFA)	Freehold
INDUSTRIAL				
SINGAPORE				
25A Changi South Street 1	Changi South	100%	3,500	30
15 Changi South Street 1	Changi South	100%	3,635	30
743 Lorong 5 Toa Payoh	Toa Payoh	100%	6,436	60
615 Lorong 4 Toa Payoh	Toa Payoh	100%	8,262	60
31 Admiralty Road	Admiralty Road	100%	9,076	60
14 Woodlands Loop	Woodlands	100%	8,580	30+30
5 Bukit Batok Street 22	Bukit Batok	100%	4,368	30+30
111 Defu Lane 10	Hougang	100%	4,662	30+30
37 Tampines Street 92	Tampines	100%	7,034	30+30
CHINA				
1, Huang Xing Road	Yangpu District, Shanghai	100%	7,353	50
133, Jing Xi Road	Baiyun District, Guangzhou	100%	3,996	50
HELD THROUGH CAPITACOMMERCIAL TRUST				
CAR PARK				
SINGAPORE				
Golden Shoe Car Park	Market Street	32.1%	4,341	99
OFFICE				
SINGAPORE				
Bugis Village	Queen Street/Rochor Road/ Victoria Street	32.1%	11,254 (excluding outdoor refreshment area)	99
HSBC Building	Collyer Quay	32.1%	18,624	999
Six Battery Road	Battery Road	32.1%	45,950	999
Capital Tower	Robinson Road	32.1%	68,527	99
One George Street	George Street	32.1%	41,598	99
Wilkie Edge	Wilkie Road	32.1%	14,038 (excluding serviced residences)	99
Twenty Anson	Anson Road	32.1%	18,892	99
Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure (Years)
UNDER DEVELOPMENT				
SINGAPORE				
CapitaGreen	Market Street	62.9%	82,003	99
CHINA				
The Paragon/ChangLe Lu	Luwan District, Shanghai	99%	71,480 (above ground)	50

Shopping Malls

As at 31 December 2013

Name	Location	CL Effective Stake (%)	Operational NLA (sqm)	Tenure
COMPLETED PROJECTS				
CHINA				
CapitaMall Aidemengdun	Daoli District, Harbin	29.4%	28,408	Expiring in Sep 2042
CapitaMall Beiguan	Beiguan District, Anyang	29.4%	26,084	Expiring in Mar 2046
CapitaMall Chengnanyuan	Qingyunpu District, Nanchang	29.4%	37,246	Expiring in Feb 2045
CapitaMall Crystal	Haidian District, Beijing	29.4%	38,148	Commercial: Expiring in Jan 2043 Underground Car Park: Expiring in Jan 2053
CapitaMall Cuiwei	Haidian District, Beijing	29.4%	36,188	Commercial: Expiring in May 2046 Underground Car Park: Expiring in May 2056
CapitaMall Deyang	Jingyang District, Deyang	29.4%	30,816	Expiring in Nov 2045
CapitaMall Dongguan	Nancheng District, Dongguan	29.4%	32,641	Expiring in Jan 2055
CapitaMall Fucheng	Fucheng District, Mianyang	29.4%	36,389	Expiring in Sep 2044
CapitaMall Guicheng	Nanhai District, Foshan	47.7%	36,799	Expiring in Aug 2044
CapitaMall Hongqi	Hongqi District, Xinxiang	29.4%	26,097	Expiring in Nov 2045
CapitaMall Jinniu	Jinniu District, Chengdu	29.4%	103,606	Expiring in Oct 2044
CapitaMall Jinshui	Jinshui District, Zhengzhou	19.6%	36,484	Expiring in Jul 2045
CapitaMall Jiulongpo	Jiulongpo District, Chongqing	47.7%	39,096	Expiring in Oct 2042
CapitaMall Kunshan	Yushan Town, Kunshan	29.4%	27,550	Expiring in May 2045
CapitaMall Maoming	Maonan District, Maoming	47.7%	28,371	Expiring in Nov 2044
CapitaMall Meilicheng	Chenghua District, Chengdu	32.7%	38,989	Expiring in Aug 2044
CapitaMall Nan'an	Cuiping District, Yibin	29.4%	28,099	Expiring in May 2045
CapitaMall Peace Plaza	Shahekou District, Dalian	19.6%	105,874	Expiring in Nov 2035
CapitaMall Quanzhou	Licheng District, Quanzhou	29.4%	30,740	Expiring in Feb 2045
CapitaMall Rizhao	Donggang District, Rizhao	19.6%	42,069	Expiring in Nov 2043
CapitaMall Shapingba	Shapingba District, Chongqing	19.6%	27,523	Master lease expiring in Dec 2023
CapitaMall Shawan	Jinniu District, Chengdu	19.6%	26,817	Commercial: Expiring in Jan 2046 Underground Car Park: Expiring in Jan 2076
CapitaMall Taiyanggong	Chaoyang District, Beijing	29.4%	43,462	Expiring in Aug 2044
CapitaMall Taohualun	Heshan District, Yiyang	29.4%	23,438	Expiring in Jun 2045
CapitaMall TianjinOne	Hexi District, Tianjin	19.6%	40,379	Expiring in Sep 2054
CapitaMall Weifang	Gaoxin District, Weifang	29.4%	37,296	Expiring in Oct 2044
CapitaMall Wusheng	Qiaokou District, Wuhan	29.4%	66,051	Expiring in Jun 2044
CapitaMall Xindicheng	Yanta District, Xi'an	29.4%	36,344	Expiring in Dec 2043
CapitaMall Xuefu	Nangang District, Harbin	29.4%	57,911	Expiring in Dec 2045

Shopping Malls

As at 31 December 2013

Name	Location	CL Effective Stake (%)	Operational NLA (sqm)	Tenure
COMPLETED PROJECTS <i>(continued)</i>				
CapitaMall Yangzhou	Weiyang District, Yangzhou	29.4%	36,745	Expiring in Jul 2039/ Apr 2045
CapitaMall Yuhuating	Yuhua District, Changsha	47.7%	47,452	Expiring in Mar 2044
CapitaMall Zhangzhou	Xiangcheng District, Zhangzhou	47.7%	31,102	Expiring in Dec 2043
CapitaMall Zhanjiang	Chikan District, Zhanjiang	29.4%	33,399	Expiring in Dec 2044
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	29.4%	32,949	Expiring in May 2055
CapitaMall Zibo	Zhangdian District, Zibo	29.4%	31,332	Expiring in Mar 2045
Hongkou Plaza	Hongkou District, Shanghai	47.4%	145,056	Expiring in Sep 2057
Minhang Plaza	Minhang District, Shanghai	42.5%	111,473	Expiring in Dec 2053
SINGAPORE				
The Star Vista	One Vista Exchange Green	65.4%	15,154	60 years, expiring in Oct 2067
MALAYSIA				
Queensbay Mall (approximately 91.8% of aggregate retail floor area and 100% of car park bays)	Bayan Lepas, Penang	65.4%	81,969	Freehold
JAPAN				
Chitose Mall	Chitose-shi, Hokkaido	17.2%	14,980	Freehold
Coop Kobe Nishinomiya-Higashi	Nishinomiya-shi, Hyogo	65.4%	7,970	Freehold
Ito Yokado Eniwa	Eniwa-shi, Hokkaido	17.2%	14,843	Freehold
Izumiya Hirakata	Hirakata-shi, Osaka	65.4%	20,044	Freehold
La Park Mizue	Mizue, Edogawa-ku, Tokyo	65.4%	18,914	Freehold
Narashino Shopping Centre	Funabashi-shi, Chiba	17.2%	10,737	Freehold
Olinas Mall	Taihei Sumidaku, Tokyo	65.4%	35,400	Freehold
Vivit Minami-Funabashi	Funabashi-shi, Chiba	17.2%	49,405	Freehold
INDIA				
Forum Value Mall	Whitefield, Bangalore	10.4%	46,983	Freehold
The Celebration Mall Udaipur	Bhuwana Phase-II Scheme, National Highway 8, Udaipur	29.7%	32,727	99 years, expiring in May 2103

Name	Location	CL Effective Stake (%)	Gross Floor Area (sqm)	Tenure
UNDER DEVELOPMENT				
CHINA				
CapitaMall 1818 (to be completed in 2015)	Wuchang District, Wuhan	32.7%	70,683	Expiring in Sep 2052
CapitaMall Fucheng (Phase 2) (to be completed in 2014)	Fucheng District, Mianyang	29.4%	42,111	Expiring in Jun 2047
CapitaMall SKY+ (to be completed in 2014)	Baiyun District, Guangzhou	65.4%	85,905	Expiring in Mar 2051
CapitaMall Tianfu (mall to be completed in 2014)	Gaoxin District, Chengdu	32.7%	197,064	Expiring in Feb 2048
CapitaMall Tiangongyuan (to be completed in 2015)	Daxing District, Beijing	65.4%	140,708	Expiring in Jan 2051
CapitaMall Xinduxin (to be completed in 2016)	Shibei District, Qingdao	32.7%	104,034	Expiring in Nov 2051/ Sep 2052
Luwan integrated development (mall to be completed in 2016)	Luwan District, Shanghai	21.6%	131,303	Expiring in Jul 2056
Mall in Gutian (to be completed in 2016)	Gutian District, Wuhan	65.4%	245,000	Expiring in Jul 2053
Suzhou integrated development (mall to be completed in 2017)	Suzhou Industrial Park, Suzhou	32.7%	343,079	Commercial: Expiring in Dec 2051 Underground Car Park: Expiring in Dec 2051
SINGAPORE				
Project Jewel (to be completed in 2018)	Changi Airport	32%	134,059	–
MALAYSIA				
Melawati Mall (to be completed in 2016)	Bandar Ulu Kelang, Daerah Gombak, Selangor	32.7%	87,793	Freehold
INDIA				
Forum Fiza Mall (to be completed in 2014)	Pandeshwar Road, Mangalore	9.9%	63,814	Freehold
Forum Sujana Mall (to be completed in 2014)	Kukatpally, Hyderabad	7.3%	80,387	Freehold
Graphite India (to be completed in 2015)	Whitefield, Bangalore	14.6%	97,732	Freehold
Mall in Cochin (to be completed in 2017)	Ernakulam District, Kochi	7.4%	99,406	Freehold
Mall in Jalandhar (to be completed in 2015)	Paragpur Village, Jalandhar	19.3%	57,043	Freehold
Mall in Mysore (to be completed in 2015)	Abba Road/ Hyder Ali Road, Mysore	14.6%	33,417	Freehold
Mall in Nagpur (to be completed in 2016)	Umrer Road, Nagpur	19.3%	94,761	Freehold

Shopping Malls

As at 31 December 2013

Name	Location	CL Effective Stake (%)	Operational NLA (sqm)	Tenure
HELD THROUGH CAPITARETAIL CHINA TRUST				
COMPLETED PROJECTS				
CHINA				
CapitaMall Anzhen	Chaoyang District, Beijing	16.7%	43,443	Expiring in Oct 2034/ Mar 2042/Jun 2042
CapitaMall Erqi	Erqi District, Zhengzhou	16.7%	92,356	Expiring in May 2042
CapitaMall Grand Canyon	Fengtai District, Beijing	16.7%	44,273	Expiring in Aug 2044
CapitaMall Minzhongleyuan	Jiangnan District, Wuhan	16.7%	Undergoing Asset Enhancement Initiatives	Annex Building: Expiring in Sep 2045 Conserved Building: Master lease expiring in Jun 2044
CapitaMall Qibao	Minhang District, Shanghai	16.7%	50,852	Master lease expiring in Jan 2024
CapitaMall Saihan	Saihan District, Huhhot	16.7%	30,808	Expiring in Mar 2041
CapitaMall Shuangjing	Chaoyang District, Beijing	16.7%	49,463	Expiring in Jul 2042
CapitaMall Wangjing	Chaoyang District, Beijing	16.7%	55,585	Commercial: Expiring in May 2043 Underground Car Park: Expiring in May 2053
CapitaMall Wuhu	Jinghu District, Wuhu	22.9%	37,317	Expiring in May 2044
CapitaMall Xizhimen	Xicheng District, Beijing	16.7%	51,801	Underground commercial and retail use: Expiring in Aug 2044 Integrated use: Expiring in Aug 2054
HELD THROUGH CAPITAMALL TRUST				
COMPLETED PROJECTS				
SINGAPORE				
Bugis+	Victoria Street	18.1%	19,920	60 years, expiring in Sep 2065
Bugis Junction	Victoria Street	18.1%	36,602	99 years, expiring in Sep 2089
Bukit Panjang Plaza	Jelee Road	18.1%	14,150	99 years, expiring in Nov 2093
Clarke Quay	River Valley Road	18.1%	27,045	99 years, expiring in Jan 2089
Funan DigitaLife Mall	North Bridge Road	18.1%	27,741	99 years, expiring in Dec 2078
IMM Building	Jurong East	18.1%	88,504	60 years, expiring in Jan 2049
JCube	Jurong East	18.1%	19,532	99 years, expiring in Feb 2090

Name	Location	CL Effective Stake (%)	Operational NLA (sqm)	Tenure
HELD THROUGH CAPITAMALL TRUST				
COMPLETED PROJECTS				
SINGAPORE <i>(continued)</i>				
Junction 8	Bishan	18.1%	23,447	99 years, expiring in Aug 2090
Lot One Shoppers' Mall	Choa Chu Kang	18.1%	20,424	99 years, expiring in Nov 2092
Plaza Singapura	Orchard Road	18.1%	44,808	Freehold
Rivervale Mall	Rivervale Crescent	18.1%	7,540	99 years, expiring in Dec 2096
Sembawang Shopping Centre	Sembawang Road	18.1%	12,536	999 years, expiring in Mar 2884
Tampines Mall	Tampines Central	18.1%	30,619	99 years, expiring in Aug 2091
The Atrium@Orchard	Orchard Road	18.1%	36,173	99 years, expiring in Aug 2107
HELD THROUGH CAPITAMALLS MALAYSIA TRUST				
COMPLETED PROJECTS				
MALAYSIA				
East Coast Mall	Putra Square, Kuantan	23.6%	43,792	99 years, expiring in Dec 2106
Gurney Plaza	Persiaran Gurney, Penang	23.6%	80,546	Freehold
Sungei Wang Plaza (approximately 61.9% of aggregate retail floor area and 100% of car park bays)	Jalan Sultan Ismail, Kuala Lumpur	23.6%	41,658	Freehold
The Mines	Jalan Dulang, Selangor	23.6%	66,601	99 years, expiring in Mar 2091

Serviced Residences

As at 31 December 2013

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
AUSTRALIA					
Citadines on Bourke Melbourne	Bourke Street, Melbourne	100%	28,427	380	Freehold
Somerset on Elizabeth Melbourne	Elizabeth Street, Melbourne	100%	1,872	34	Freehold
CHINA					
Ascott Beijing	Chaoyang District, Beijing	36.1%	66,417	364	70
Citadines Central Xi'an	Beilin District, Xi'an	36.1%	12,998	162	70 (Residential) 40 (Commercial)
Citadines Gaoxin Xi'an	Hi-Tech Zone, Xi'an	36.1%	24,303	251	50
Citadines Zhuankou Wuhan	Economic & Technological Development Zone, Wuhan	36.1%	21,650	249	40
Somerset Garden City Shenzhen	Nanshan District, Shenzhen	36.1%	17,379	147	70
Somerset International Building Tianjin	Heping District, Tianjin	36.1%	52,726	105	50
Somerset JieFangBei Chongqing	Yuzhong District, Chongqing	36.1%	21,494	157	40
Somerset Riverview Chengdu	Wuhou District, Chengdu	36.1%	31,286	200	50
Somerset Youyi Tianjin	Hexi District, Tianjin	36.1%	31,031	250	50
Somerset ZhongGuanCun Beijing	Haidian District, Beijing	100%	19,975	154	70 (Residential) 50 (Commercial) 40 (Retail)
CHI 138	Sai Ying Pun, Hong Kong	100%	3,874	52	999
FRANCE					
Citadines Suites Arc de Triomphe Paris	Avenue Kleber, Paris	100%	9,700	106	Freehold
GERMANY					
Citadines City Centre Frankfurt (under construction)	Europa-Boulevard, Frankfurt	100%	8,104	165	Freehold
Citadines Michel Hamburg (under construction)	Ludwig-Erhard-Straße, Hamburg	100%	6,725	128	99
INDIA					
Citadines Galleria Bangalore (under construction)	Yelahanka, Bangalore	50%	13,935	203	Freehold
Citadines Hitec City Hyderabad (under construction)	Hitec City, Hyderabad	100%	10,388	218	Freehold
Citadines OMR Gateway Chennai (under construction)	Old Mahabalipuram Road, Chennai	100%	18,649	268	Freehold
Citadines Parimal Garden Ahmedabad (under construction)	Central Business District, Ahmedabad	100%	9,118	220	Freehold
Somerset Greenways Chennai	Sathyadev Avenue, Chennai	51.0%	21,933	187	Freehold

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
JAPAN CORPORATE LEASING					
Infini Garden	Hamao District, Fukuoka	30.0%	36,770	395	Freehold
Kasahokomachi	Shimogyo-ward, Kyoto	88.9%	5,699	191	Freehold
Marunouchi Central Heights	Naka-ward, Nagoya	88.9%	1,937	31	Freehold
S-Residence Fukushima Luxe	Fukushima-ward, Osaka	18.9%	6,568	179	Freehold
S-Residence Gakuenzaka	Naniwa-ward, Osaka	88.9%	2,822	58	Freehold
S-Residence Hommachi Marks	Chuo-ward, Osaka	18.9%	3,684	110	Freehold
S-Residence Midoribashi Serio	Higashinari-ward, Osaka	18.9%	2,904	100	Freehold
S-Residence Namba Viale	Naniwa-ward, Osaka	88.9%	3,522	116	Freehold
S-Residence Shukugawa	Hyogo, Kobe	88.9%	3,189	33	Freehold
S-Residence Tanimachi 9 chome	Tennoji-ward, Osaka	18.9%	3,171	104	Freehold
MALAYSIA					
Ascott Kuala Lumpur	Jalan Pinang, Kuala Lumpur	50%	36,206	221	Freehold
Somerset Ampang Kuala Lumpur	Jalan Ampang, Kuala Lumpur	100%	18,847	207	Freehold
Seri Bukit Ceylon Residences	Lorong Ceylon, Kuala Lumpur	100%	3,604	48	Freehold
THAILAND					
Ascott Sathorn Bangkok	South Sathorn Road, Bangkok	40%	45,361	177	50
Citadines Sukhumvit 8 Bangkok	Sukhumvit 8, Bangkok	49%	8,505	130	Freehold
Citadines Sukhumvit 11 Bangkok	Sukhumvit 11, Bangkok	49%	8,215	127	Freehold
Citadines Sukhumvit 16 Bangkok	Sukhumvit 16, Bangkok	49%	5,415	79	Freehold
Citadines Sukhumvit 23 Bangkok	Sukhumvit 23, Bangkok	49%	8,693	138	Freehold
UNITED KINGDOM					
The Cavendish London	St James, London	100%	15,360	230	65
VIETNAM					
Somerset Central TD Hai Phong City (under construction)	Ngo Quyen District, Hai Phong City	90%	14,531	132	65
Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
HELD THROUGH ASCOTT RESIDENCE TRUST					
AUSTRALIA					
Citadines St Georges Terrace Perth (formerly known as Somerset St Georges Terrace Perth)	St Georges Terrace, Perth	45.3%	6,000	84	Freehold
BELGIUM					
Citadines Sainte-Catherine Brussels	Quai au Bois a Bruler, Brussels	45.3%	10,055	169	Freehold
Citadines Toison d'Or Brussels	Avenue de la Toison d'Or, Brussels	45.3%	12,752	154	Freehold

Serviced Residences

As at 31 December 2013

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
HELD THROUGH ASCOTT RESIDENCE TRUST <i>(continued)</i>					
CHINA					
Ascott Guangzhou	Tianhe District, Guangzhou	45.3%	19,797	208	70
Citadines Biyun Shanghai	Pudong District, Shanghai	45.3%	15,877	180	70
Citadines Xinghai Suzhou	Suzhou Industrial Park, Suzhou	45.3%	10,166	167	70
Somerset Grand Fortune Garden Property Beijing ¹	Chaoyang District, Beijing	45.3%	15,780	81	70
Somerset Heping Shenyang	Heping District, Shenyang	45.3%	33,031	270	40
Somerset Olympic Tower Property Tianjin	Heping District, Tianjin	45.3%	32,946	185	70
Somerset Xu Hui Shanghai	Xu Hui District, Shanghai	45.3%	21,014	168	70
FRANCE					
Citadines Antigone Montpellier	Boulevard d'Antigone, Montpellier	45.3%	8,914	122	Freehold
Citadines Austerlitz Paris	Rue Esquirol, Paris	45.3%	1,859	50	Freehold
Citadines Castellane Marseille	Rue de Rouet, Marseille	45.3%	5,877	97	Freehold
Citadines City Centre Grenoble	Rue de Strasbourg, Grenoble	45.3%	7,872	106	Freehold
Citadines City Centre Lille	Avenue Willy Brandt-Euralille, Lille	45.3%	6,995	101	Freehold
Citadines Croisette Cannes	Rue le Poussin, Cannes	45.3%	3,311	58	Freehold
Citadines Didot Montparnasse Paris (formerly known as Citadines Port de Versailles Paris)	Rue Didot, Paris	45.3%	4,618	80	Freehold
Citadines Maine Montparnasse Paris (formerly known as Citadines Montparnasse Paris)	Avenue du Maine, Paris	45.3%	3,004	67	Freehold
Citadines Montmartre Paris	Avenue Rachel, Paris	45.3%	7,989	111	Freehold
Citadines Place d'Italie Paris	Place d'Italie, Paris	45.3%	8,003	169	Freehold
Citadines Prado Chanot Marseille	Boulevard de Louvain, Marseille	45.3%	5,390	77	Freehold
Citadines Presqu'île Lyon	Rue Thomassin, Lyon	45.3%	6,699	116	Freehold
Citadines Prestige Les Halles Paris	Rue des Innocents, Paris	45.3%	10,648	189	Freehold
Citadines République Paris	Avenue Parmentier, Paris	45.3%	6,857	76	Freehold
Citadines Suites Louvre Paris	Rue de Richelieu, Paris	45.3%	3,663	51	Freehold
Citadines Tour Eiffel Paris	Boulevard de Grenelle, Paris	45.3%	8,715	104	Freehold
Citadines Trocadéro Paris	Rue Saint-Didier, Paris	45.3%	9,725	97	Freehold
GERMANY					
Citadines Arnulfpark Munich	Arnulfstrasse, Munich	44.9%	8,303	146	Freehold
Citadines Kurfürstendamm Berlin	Olivaer Platz, Berlin	45.3%	6,794	118	Freehold
Madison Hamburg	Schaarteweg, Hamburg	45.3%	19,285 (NLA)	166	Freehold

¹ Ascott Reit has commenced the strata sale of its 81 units in Somerset Grand Fortune Garden Property Beijing as announced in October 2013.

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
HELD THROUGH ASCOTT RESIDENCE TRUST <i>(continued)</i>					
INDONESIA					
Ascott Jakarta	Jalan Kebon Kacang Raya, Jakarta	44.9%	55,775	198	26
Somerset Grand Citra Jakarta	Jalan Prof Dr Satrio Kav 1, Jakarta	25.8%	30,072	203	30
JAPAN					
Citadines Karasuma-Gojo Kyoto	Shimogyo-ku, Kyoto	67.2%	4,835	124	Freehold
Citadines Shinjuku Tokyo	Shinjuku-ku, Tokyo	67.2%	6,197	160	Freehold
Somerset Azabu East Tokyo	Minato-ku, Tokyo	45.3%	5,896	78	Freehold
JAPAN CORPORATE LEASING					
Actus Hakata V-Tower	Hakata-ku, Fukuoka	45.3%	9,306	296	Freehold
Asyl Court Nakano Sakaue Tokyo	Nakano-ku, Tokyo	45.3%	1,611	62	Freehold
Big Palace Kita 14jo	Kita-ku, Sapporo	45.3%	5,896	140	Freehold
Grand E'terna Chioninmae	Higashiyama-ku, Kyoto	45.3%	1,049	17	Freehold
Grand E'terna Nijojo-mae	Nakagyo-ku, Kyoto	45.3%	1,736	47	Freehold
Grand E'terna Saga	Honjomachi, Saga	45.3%	4,990	123	Freehold
Grand E'terna Saga Idaidori	Nabeshima, Saga	45.3%	1,507	46	Freehold
Gala Hachimanyama I Tokyo	Suginami-ku, Tokyo	45.3%	2,469	76	Freehold
Gala Hachimanyama II Tokyo	Suginami-ku, Tokyo	45.3%	428	16	Freehold
Grand Mire Miyamachi	Aoba-ku, Sendai	45.3%	2,311	91	Freehold
Grand Mire Shintera	Wakabayashi-ku, Sendai	45.3%	1,711	59	Freehold
Joy City Koishikawa Shokubutsuen Tokyo	Bunkyo-ku, Tokyo	45.3%	1,211	36	Freehold
Joy City Kuramae Tokyo	Taito-ku, Tokyo	45.3%	1,887	60	Freehold
Roppongi Residences Tokyo	Minato-ku, Tokyo	45.3%	4,422	64	Freehold
Zesty Akebonobashi Tokyo	Shinjuku-ku, Tokyo	45.3%	374	12	Freehold
Zesty Gotokuji Tokyo	Setagaya-ku, Tokyo	45.3%	419	15	Freehold
Zesty Higashi Shinjuku Tokyo	Shinjuku-ku, Tokyo	45.3%	489	19	Freehold
Zesty Kagurazaka I Tokyo	Shinjuku-ku, Tokyo	45.3%	469	20	Freehold
Zesty Kagurazaka II Tokyo	Shinjuku-ku, Tokyo	45.3%	510	20	Freehold
Zesty Kasugacho Tokyo	Nerima-ku, Tokyo	45.3%	893	32	Freehold
Zesty Koishikawa Tokyo	Bunkyo-ku, Tokyo	45.3%	385	15	Freehold
Zesty Komazawa Daigaku II Tokyo	Merguro-ku, Tokyo	45.3%	1,014	29	Freehold
Zesty Nishi Shinjuku III Tokyo	Shinjuku-ku, Tokyo	45.3%	831	29	Freehold
Zesty Sakura Shinmachi Tokyo	Setagaya-ku, Tokyo	45.3%	566	17	Freehold
Zesty Shin Ekoda Tokyo	Nerima-ku, Tokyo	45.3%	469	18	Freehold
Zesty Shoin Jinja Tokyo	Setagaya-ku, Tokyo	45.3%	429	16	Freehold
Zesty Shoin Jinja II Tokyo	Setagaya-ku, Tokyo	45.3%	533	17	Freehold

Serviced Residences

As at 31 December 2013

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
HELD THROUGH ASCOTT RESIDENCE TRUST <i>(continued)</i>					
JAPAN CORPORATE LEASING <i>(continued)</i>					
Gravis Court Kakomachi	Naka-ku, Hiroshima	45.3%	2,270	63	Freehold
Gravis Court Kokutaiji	Naka-ku, Hiroshima	45.3%	1,659	48	Freehold
Gravis Court Nishiharaekimae	Asaminami-ku, Hiroshima	45.3%	1,151	29	Freehold
PHILIPPINES					
Ascott Makati	Ayala Centre, Makati City	45.3%	55,255	362	48
Somerset Millennium Makati	Legaspi Village, Makati City	28.5%	11,165	151	Freehold
Salcedo Residences	Salcedo Village, Makati City	45.3%	5,901 (NLA)	71	Freehold
SINGAPORE					
Ascott Raffles Place Singapore	Finlayson Green, Singapore	45.3%	15,694	146	999
Citadines Mount Sophia Property Singapore	Wilkie Road, Singapore	45.3%	9,370	154	96
Somerset Liang Court Property Singapore	River Valley Road, Singapore	45.3%	27,155	197	97
SPAIN					
Citadines Prestige Ramblas Barcelona (formerly known as Citadines Ramblas Barcelona)	Ramblas, Barcelona	45.3%	12,323	131	Freehold
UNITED KINGDOM					
Citadines Barbican London	Goswell Road, London	45.3%	7,263	129	Freehold
Citadines Prestige Holborn-Covent Garden London	High Holborn, London	45.3%	10,576	192	Freehold
Citadines Prestige South Kensington London	Gloucester Road, London	45.3%	6,657	92	Freehold
Citadines Prestige Trafalgar Square London	Northumberland Avenue, London	45.3%	12,599	187	Freehold
VIETNAM					
Somerset Chancellor Court Ho Chi Minh City	Nguyen Thi Minh Khai Street, Ho Chi Minh City	30.4%	26,782	172	48
Somerset Grand Hanoi	Hai Ba Trung Street, Hanoi	34.4%	44,048	185	45
Somerset Ho Chi Minh City	Nguyen Binh Khiem Street, Ho Chi Minh City	30.5%	25,207	165	45
Somerset Hoa Binh Hanoi	Hoang Quoc Viet Street, Hanoi	40.8%	23,845	206	36
Somerset West Lake Hanoi	Thuy Khue Road, Hanoi	31.7%	8,474	90	49

5-Year Financial Summary

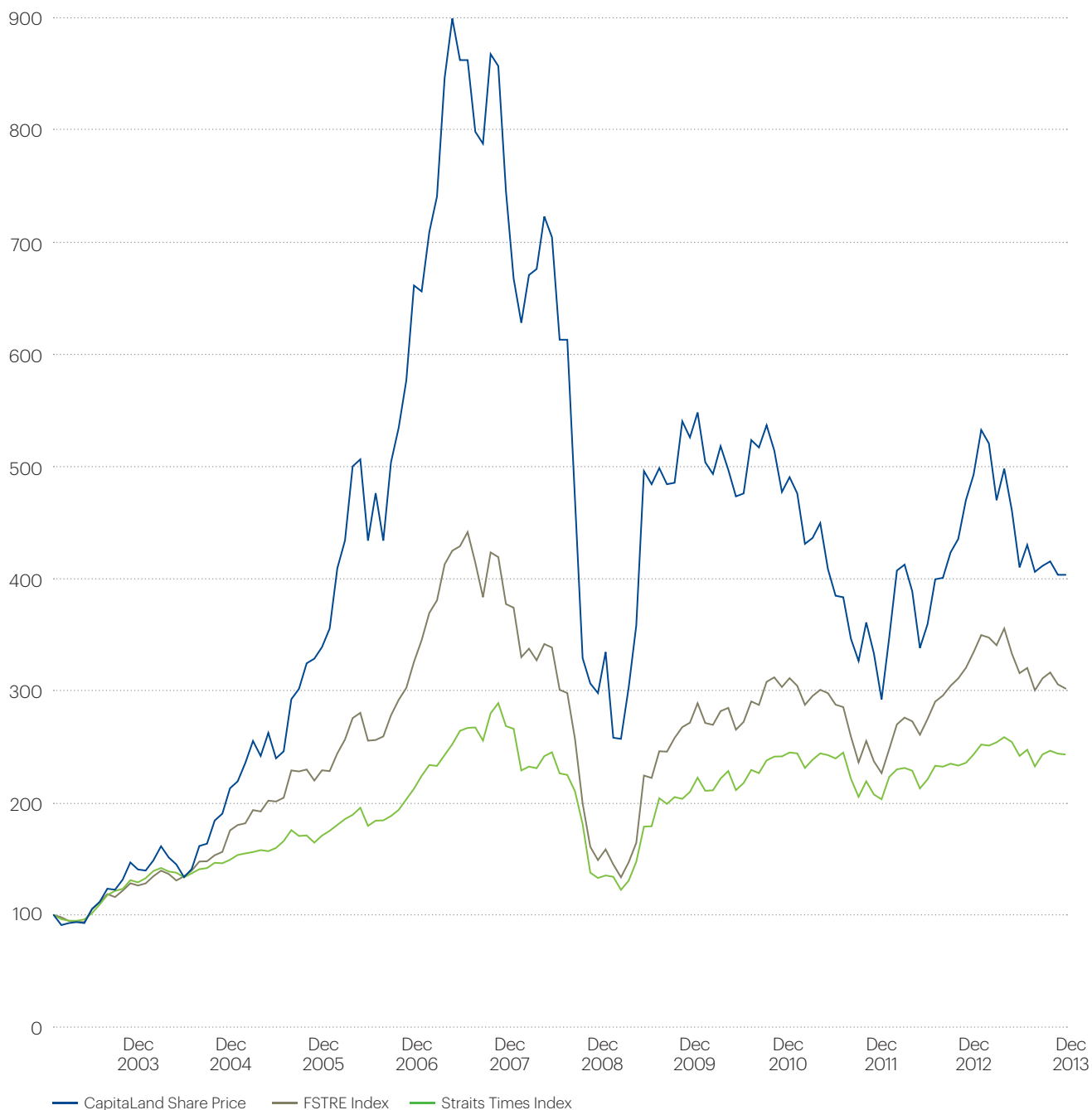
	2009	2010 (Restated)	2011	2012	2013
(A) INCOME STATEMENT (\$\$ MILLION)					
Revenue	2,957.4	3,383.4	3,019.6	3,301.4	3,977.5
Earnings Before Interest and Tax (EBIT)	1,549.0	2,548.5	2,086.6	2,017.4	1,798.0
Net Profit attributable to Shareholders (PATMI)	1,053.0	1,425.7	1,057.3	930.3	849.8
Operating PATMI	697.6	711.7	352.1	369.3	527.7
(B) BALANCE SHEETS (\$\$ MILLION)					
Investment Properties	5,058.5	4,732.9	7,074.6	7,969.4	4,935.2
Development Properties for Sale and Stocks	3,590.2	5,667.1	6,905.1	7,510.1	7,382.0
Associates and Joint Ventures	8,684.2	10,048.8	10,685.0	12,511.3	14,275.9
Cash and Cash Equivalents	8,729.7	7,190.1	6,264.5	5,497.7	5,920.2
Other Assets	4,103.4	4,248.2	4,390.3	4,299.1	3,641.6
Total Assets	30,166.0	31,887.1	35,319.5	37,787.6	36,154.9
Equity attributable to owners of the Company	13,408.3	14,031.9	14,901.6	15,080.4	16,067.9
Total Borrowings	10,312.6	10,358.0	12,190.6	14,179.8	12,562.8
Non-controlling Interests and Other Liabilities	6,445.1	7,497.2	8,227.3	8,527.4	7,524.2
Total Equities & Liabilities	30,166.0	31,887.1	35,319.5	37,787.6	36,154.9
(C) FINANCIAL RATIOS					
Earnings per share (cents)	26.2	33.5	24.8	21.9	20.0
Net Tangible Assets per share (\$\$)	3.03	3.18	3.40	3.44	3.67
Return on Shareholders' Funds (%)	8.7	10.5	7.3	6.2	5.5
Return on Total Assets (%)	5.5	7.7	5.9	5.2	4.7
Dividend					
Ordinary dividend per share (cents)	5.5	6.0	6.0	7.0	8.0
Special dividend per share (cents)	5.0	–	2.0	–	–
Total dividend per share (cents)	10.5	6.0	8.0	7.0	8.0
Dividend cover (times)	2.4	5.6	3.1	3.1	2.5
Debt Equity Ratio (net of cash) (times)	0.09	0.18	0.31	0.45	0.34
Interest Cover (times)	4.54	7.63	5.72	5.50	5.70

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 immediate preceding year were restated to conform with the requirements arising from the said changes or adoption.

Share Price Performance

Benchmark
Index



Source: Bloomberg

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Directors' Report

Year ended 31 December 2013

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2013.

DIRECTORS

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

Ng Kee Choe
 Peter Seah Lim Huat
 Lim Ming Yan (appointed on 1 January 2013)
 James Koh Cher Siang
 Arfat Pannir Selvam
 Professor Kenneth Stuart Courtis
 John Powell Morschel
 Simon Claude Israel
 Euleen Goh Yiu Kiang
 Tan Sri Amirsham Bin A Aziz
 Stephen Lee Ching Yen (appointed on 1 January 2013)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

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

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
The Company		
Ordinary shares		
Ng Kee Choe	23,860	48,105
Peter Seah Lim Huat	329,413	350,789
Lim Ming Yan	1,200,923	1,301,553
James Koh Cher Siang	281,610	298,298
Arfat Pannir Selvam	231,014	248,070
Professor Kenneth Stuart Courtis	160,193	177,025
John Powell Morschel	23,837	39,245
Simon Claude Israel	70,261	85,901
Euleen Goh Yiu Kiang	9,289	23,693
Tan Sri Amirsham Bin A Aziz	–	6,994

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
The Company (continued)		
Contingent award of Performance shares¹ to be delivered after 2012		
Lim Ming Yan (152,437 shares)	0 to 304,874 ³	– ¹
¹ No share was released under the 2010 award		
Contingent award of Performance shares¹ to be delivered after 2013		
Lim Ming Yan (143,700 shares)	0 to 287,400 ³	0 to 287,400 ³
Contingent award of Performance shares¹ to be delivered after 2014		
Lim Ming Yan (144,000 shares)	0 to 252,000 ³	0 to 252,000 ³
Contingent award of Performance shares¹ to be delivered after 2015		
Lim Ming Yan (359,000 shares)	–	0 to 628,250 ³
Unvested Restricted shares² to be delivered after 2010		
Lim Ming Yan	33,156 ⁵	–
Unvested Restricted shares² to be delivered after 2011		
Lim Ming Yan	50,396 ⁶	25,198 ⁵
Unvested Restricted shares² to be delivered after 2012		
Lim Ming Yan	0 to 165,000 ⁴	84,554 ⁶
Contingent award of Restricted shares² to be delivered after 2013		
Lim Ming Yan (197,000 shares)	–	0 to 295,500 ⁴
\$1.3 billion convertible bonds 3.125% due 2018 (Aggregate principal amount of bonds which remains outstanding is \$235.3 million)		
Lim Ming Yan	\$500,000	–
\$1.2 billion convertible bonds 2.875% due 2016 (Aggregate principal amount of bonds which remains outstanding is \$467.0 million)		
Lim Ming Yan	\$1,000,000	\$1,000,000
Related Corporations		
CapitaMalls Asia Limited		
Ordinary shares		
Ng Kee Choe	130,000	130,000
Peter Seah Lim Huat	29,000	29,000
Lim Ming Yan	96,864	99,774
James Koh Cher Siang	45,800	45,800
Arfat Pannir Selvam	89,397	105,800
Tan Sri Amirsham Bin A Aziz	6,139	18,700

Directors' Report

Year ended 31 December 2013

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

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year

Related Corporations *(continued)*

CapitaLand Treasury Limited

\$350 million 4.30% Fixed Rate Notes due 2020

Euleen Goh Yiu Kiang	\$250,000	\$250,000
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Footnotes:

- ¹ Performance shares are shares under awards pursuant to the CapitaLand Performance Share Plan 2000 and CapitaLand Performance Share Plan 2010 (collectively referred to as CapitaLand Performance Share Plan).
- ² Restricted shares are shares under awards pursuant to the CapitaLand Restricted Stock Plan 2000 and CapitaLand Restricted Share Plan 2010 (collectively referred to as CapitaLand Restricted Stock/Share Plan).
- ³ The final number of shares released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.
- ⁴ The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award.
- ⁵ Being the unvested one-third of the award.
- ⁶ Being the unvested two-thirds of the award.

There was no change in any of the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2014.

DIRECTORS' INTERESTS IN CONTRACTS

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

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

Directors' emoluments are disclosed in "Directors' Remuneration".

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

SHARE PLANS

The Executive Resource and Compensation Committee (ERCC) of the Company has been designated as the Committee responsible for the administration of the Share Plans. The ERCC members at the date of this report are Mr Peter Seah Lim Huat (Chairman), Mr Ng Kee Choe, Mr Simon Claude Israel and Mr Stephen Lee Ching Yen.

SHARE PLANS *(continued)*

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

At the Extraordinary General Meeting held on 16 April 2010, shareholders approved a new CapitaLand Performance Share Plan 2010 (PSP 2010) and CapitaLand Restricted Share Plan 2010 (RSP 2010). These plans replaced the CapitaLand Performance Share Plan 2000 and CapitaLand Restricted Stock Plan 2000 which were terminated. The Company did not extend the duration of, or replace, the CapitaLand Share Option Plan. All awards granted under the previous share plans prior to its termination will continue to be valid and be subject to the terms and conditions of the plans. The first grant of award under the new share plans was made in March 2011. The duration of each share plan is 10 years commencing on 16 April 2010.

Under the PSP 2010, the awards granted are conditional on performance targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the Company achieving prescribed performance target(s). Awards are released once the ERCC is satisfied that the prescribed target(s) have been achieved. There are no vesting periods beyond the performance achievement periods.

Under the RSP 2010, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-based restricted awards).

Awards granted under the RSP 2010 differ from awards granted under the PSP 2010 in that an extended vesting period is normally imposed beyond the performance target completion date, that is, they also incorporate a time-based service condition as well, to encourage participants to continue serving the Group beyond the achievement date of the pre-determined performance target(s). In addition, the RSP 2010 also enable grants of fully paid shares to be made to non-executive directors as part of their remuneration in respect of their office as such in lieu of cash.

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

The aggregate number of new shares which may be allotted, issued and/or delivered pursuant to awards granted under the Share Plans on any date, when aggregated with existing shares (including shares held in treasury and cash equivalents) delivered and/or to be delivered, pursuant to the Shares Plans, and all shares, options or awards granted under any other share schemes of the Company then in force, shall not exceed 8% of the total number of issued shares (excluding treasury shares) from time to time.

(b) Options Exercised

The Company ceased to grant options under the CapitaLand Share Option Plan since 2007. During the financial year, there were new ordinary shares issued for cash in the capital of the Company pursuant to the exercise of options granted:

Name of Company	Exercise Price (per share)	Number of Shares Issued
CapitaLand Limited	\$0.30 to \$3.18	871,704

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.

Directors' Report

Year ended 31 December 2013

SHARE PLANS (continued)

(c) Unissued Shares under Options

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

	Number of Holders	Expiry Date	Exercise Price (per share) \$	Number of Unissued Shares under Options
The Company				
Group Executives	35	27/02/2014	0.50	136,895
	5	27/08/2014	0.85	15,120
	112	25/02/2015	1.72	1,023,220
	18	26/08/2015	2.15	72,290
	320	24/02/2016	3.18	5,239,922
	1	19/06/2016	3.65	87,350
	42	01/09/2016	4.09	593,548
Total				7,168,345

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

Participants	Aggregate options granted since the commencement of the CapitaLand Share Option Plan	Aggregate options exercised	Aggregate options lapsed/cancelled	Aggregate options outstanding
Directors of the Company	2,467,178	(2,467,178)	–	–
Former directors of the Company/ Non-Executive Directors of subsidiaries	17,893,730	(17,137,320)	(756,410)	–
Group Executives (excluding Lim Ming Yan)	136,418,917	(94,649,084)	(34,601,488)	7,168,345
Parent Group Executives and others	2,662,482	(2,232,834)	(429,648)	–
Total	159,442,307	(116,486,416)	(35,787,546)	7,168,345

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.

(d) Awards under the CapitaLand Performance Share Plan

During the financial year, the ERCC of the Company has granted awards which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released by the ERCC to the recipient at the end of the qualifying performance period, provided the threshold targets are achieved. An initial number of shares (baseline award) is allocated equally according to the following performance conditions:

- Group's Absolute Total Shareholder Return measured as a multiple of Cost of Equity; and
- Group's Relative Total Shareholder Return measured as the outperformance against the MSCI Asia Pacific ex-Japan Real Estate Index.

The above performance measures are selected as key measurements of wealth creation for shareholders. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

SHARE PLANS *(continued)***(d) Awards under the CapitaLand Performance Share Plan** *(continued)*

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

Year of Award	<-- Movements during the year -->					
	Balance as at 1 January 2013		Granted		Lapsed/ Cancelled	
	No. of holders	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2010	49	2,778,016	–	(2,778,016)	–	–
2011	59	3,022,926	–	(258,328)	55	2,764,598
2012	63	3,398,000	–	(414,369)	59	2,983,631
2013	–	–	3,565,000	(301,868)	62	3,263,132
		9,198,942	3,565,000	(3,752,581)		9,011,361

(e) Awards under the CapitaLand Restricted Stock/Share Plan

During the financial year, the ERCC of the Company has granted awards which are conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of shares will only be released by the ERCC to the recipients at the end of the qualifying performance period, provided the threshold targets are achieved. An initial number of shares (baseline award) is allocated equally according to the following performance conditions:

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

The above performance measures are selected as they are the key drivers of shareholder value and are aligned to the Company's business objectives. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. Once the final number of shares has been determined, it will be released over a vesting period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. From 2012, cash-settled award plan for non-managerial grade employees in Singapore, Malaysia and Japan has been replaced by a Restricted Cash Plan (RCP). Under RCP, a cash bonus is distributed to eligible employee at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

With effect from 2011, the awards to non-executive directors form part of the directors' fees and will be an outright grant with no performance and vesting conditions.

Directors' Report

Year ended 31 December 2013

SHARE PLANS (continued)

(e) Awards under the CapitaLand Restricted Stock/Share Plan (continued)

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

Year of Award	Balance as at 1 January 2013		<----- Movements during the year ----->			Balance as at 31 December 2013	
	No. of holders	No. of shares	Granted No. of shares	Released ⁺ No. of shares	Lapsed/ Cancelled No. of shares	No. of holders	No. of shares
2010	718	1,850,122	–	(1,841,393)	(8,729)	–	–
2011	857	3,384,334	–	(1,677,580)	(158,381)	771	1,548,373
2012	682	7,079,164	1,062,668	(2,669,078)	(549,248)	603	4,923,506
2013	–	–	7,856,813	(148,643)	(665,713)	700	7,042,457
		12,313,620	8,919,481	(6,336,694)	(1,382,071)		13,514,336

⁺ The number of shares released during the year was 6,336,694, of which 487,829 were cash-settled.

As at 31 December 2013, the number of shares comprised in awards granted under the CapitaLand Restricted Share Plan is as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award) [#]	6,730,737	311,720	7,042,457
Final number of shares determined but not released	6,120,487	351,392	6,471,879
	12,851,224	663,112	13,514,336

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

(f) Awards under the CapitaMalls Asia Limited (CMA) Share Plans

The CMA Performance Share Plan and the CMA Restricted Stock Plan (collectively referred to as the CMA Share Plans) were approved and adopted by the shareholders of CMA at an Extraordinary General Meeting held on 30 October 2009.

Under the CMA Share Plans, awards are granted to eligible participants who will have the right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the company achieving prescribed performance target(s).

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

(i) Awards under the CMA Performance Share Plan

The CMA Performance Share Plan has no vesting periods beyond the performance achievement periods and applies only to key executives.

SHARE PLANS (continued)

(f) Awards under the CapitaMalls Asia Limited (CMA) Share Plans (continued)

(i) Awards under the CMA Performance Share Plan (continued)

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

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

(ii) Awards under the CMA Restricted Stock Plan

Under the CMA Restricted Stock Plan, awards granted to eligible participants vest only after the satisfactory completion of time-based service conditions or where the award is performance-related, after a further period of service beyond the performance target completion date (performance-related awards). Performance-related awards differ from awards granted under the CMA Performance Share Plan in that an extended vesting period is imposed beyond the performance target completion date.

With effect from 2011, no share awards were granted under the CMA Restricted Stock Plan to non-executive directors.

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

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

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

As at 31 December 2013, the number of shares comprised in awards granted under the CMA Restricted Stock Plan is as follows:

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

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

Directors' Report

Year ended 31 December 2013

AUDIT COMMITTEE

The Audit Committee members at the date of this report are Ms Euleen Goh Yiu Kiang (Chairman), Mr James Koh Cher Siang, Mrs Arfat Pannir Selvam and Tan Sri Amirsham Bin A Aziz.

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

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

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

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

AUDIT COMMITTEE *(continued)*

The Audit Committee met four times in 2013. Specific functions performed during the year included reviewing the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the Board of Directors of the Company for adoption. The Audit Committee also met with the internal and external auditors, without the presence of management, to discuss issues of concern to them.

The Audit Committee has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set by the Group and the Company to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Audit Committee also undertook quarterly reviews of all non-audit services provided by KPMG LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

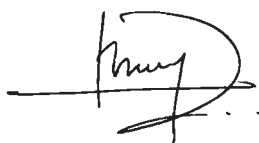
AUDITORS

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

On behalf of the Board of Directors

**NG KEE CHOE**

Director

**LIM MING YAN**

Director

Singapore

28 February 2014

Statement by Directors

In our opinion:

- (a) the financial statements set out on pages 138 to 247 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013, and of the results and changes in equity of the Group and of the Company, and of the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

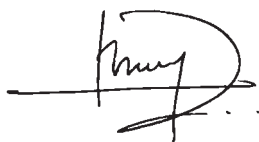
The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



NG KEE CHOE

Director



LIM MING YAN

Director

Singapore

28 February 2014

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 2013, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 138 to 247.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results and changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

28 February 2014

Balance Sheets

As at 31 December 2013

		The Group		The Company	
		2013	2012	2013	2012
	Note	\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	3	1,079,239	1,263,615	12,316	14,400
Intangible assets	4	470,735	462,093	147	147
Investment properties	5	4,935,194	7,969,402	–	–
Subsidiaries	6	–	–	12,739,628	10,546,914
Associates	7(a)	11,750,550	9,692,297	–	–
Joint ventures	8(a)	2,525,352	2,818,985	–	–
Deferred tax assets	9	73,477	91,595	1,495	2,589
Other non-current assets	10(a)	657,124	795,713	–	–
		21,491,671	23,093,700	12,753,586	10,564,050
Current assets					
Development properties for sale and stocks	11	7,382,023	7,510,093	–	–
Trade and other receivables	12	1,164,115	1,484,753	1,100,375	2,447,221
Other current assets	10(b)	196,923	201,370	–	–
Cash and cash equivalents	15	5,920,152	5,497,693	330,439	442,650
		14,663,213	14,693,909	1,430,814	2,889,871
Less: current liabilities					
Trade and other payables	16	2,680,483	2,359,598	1,360,493	76,694
Short term bank borrowings	18	939,310	765,826	–	–
Current portion of debt securities	19	254,972	16,346	–	–
Current tax payable		472,711	432,489	8,064	7,560
		4,347,476	3,574,259	1,368,557	84,254
Net current assets		10,315,737	11,119,650	62,257	2,805,617
Less: non-current liabilities					
Long term bank borrowings	18	5,421,543	6,617,114	–	–
Debt securities	19	5,946,962	6,780,492	3,190,458	3,512,287
Deferred tax liabilities	9	611,133	658,989	27,063	33,558
Other non-current liabilities	20	516,827	712,971	14,405	17,628
		12,496,465	14,769,566	3,231,926	3,563,473
Net assets		19,310,943	19,443,784	9,583,917	9,806,194
Representing:					
Share capital	22	6,302,207	6,300,011	6,302,207	6,300,011
Revenue reserves		9,429,976	8,910,445	2,992,741	3,125,358
Other reserves	23	335,726	(130,048)	288,969	380,825
Equity attributable to owners of the Company		16,067,909	15,080,408	9,583,917	9,806,194
Non-controlling interests		3,243,034	4,363,376	–	–
Total equity		19,310,943	19,443,784	9,583,917	9,806,194

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

Income Statements

Year ended 31 December 2013

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Revenue	25	3,977,487	3,301,363	587,992	444,827
Cost of sales		(2,891,707)	(2,073,289)	-	-
Gross profit		1,085,780	1,228,074	587,992	444,827
Other operating income	26(a)	381,127	586,949	91,105	62,107
Administrative expenses		(517,627)	(580,251)	(91,138)	(100,063)
Other operating expenses		(198,637)	(52,122)	(293,869)	(65,194)
Profit from operations		750,643	1,182,650	294,090	341,677
Finance costs	26(d)	(444,490)	(498,953)	(163,253)	(185,330)
Share of results (net of tax) of:					
- associates		863,887	699,197	-	-
- joint ventures		183,481	135,584	-	-
		1,047,368	834,781	-	-
Profit before taxation	26	1,353,521	1,518,478	130,837	156,347
Taxation	27	(168,908)	(201,907)	22,606	12,422
Profit for the year		1,184,613	1,316,571	153,443	168,769
Attributable to:					
Owners of the Company		849,795	930,347	153,443	168,769
Non-controlling interests		334,818	386,224	-	-
Profit for the year		1,184,613	1,316,571	153,443	168,769
Basic earnings per share (cents)	28	20.0	21.9		
Diluted earnings per share (cents)	28	19.6	21.7		

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

Statements of Comprehensive Income

Year ended 31 December 2013

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Profit for the year		1,184,613	1,316,571	153,443	168,769
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		241,220	(443,366)	–	–
Change in fair value of available-for-sale investments		(469)	(254)	–	–
Effective portion of change in fair value of cash flow hedges		79,282	(63,600)	–	–
Share of other comprehensive income of associates and joint ventures		221,322	(84,312)	–	–
Total other comprehensive income for the year, net of income tax	24	541,355	(591,532)	–	–
Total comprehensive income for the year		1,725,968	725,039	153,443	168,769
Attributable to:					
Owners of the Company		1,365,937	487,993	153,443	168,769
Non-controlling interests		360,031	237,046	–	–
Total comprehensive income for the year		1,725,968	725,039	153,443	168,769

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

Statements of Changes in Equity

Year ended 31 December 2013

The Group	Attributable to owners of the Company				Non-controlling Interests	Total Equity
	Share Capital \$'000	Revenue Reserves \$'000	Other Reserves \$'000	Total \$'000		
At 1 January 2013	6,300,011	8,910,445	(130,048)	15,080,408	4,363,376	19,443,784
Total comprehensive income						
Profit for the year	–	849,795	–	849,795	334,818	1,184,613
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	272,538	272,538	(31,318)	241,220
Change in fair value of available-for-sale investments	–	–	(469)	(469)	–	(469)
Effective portion of change in fair value of cash flow hedges	–	–	60,668	60,668	18,614	79,282
Share of other comprehensive income of associates and joint ventures	–	–	183,405	183,405	37,917	221,322
Total other comprehensive income, net of income tax	–	–	516,142	516,142	25,213	541,355
Total comprehensive income	–	849,795	516,142	1,365,937	360,031	1,725,968
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares	2,196	–	(3,046)	(850)	3,382	2,532
Purchase of treasury shares	–	–	(16,674)	(16,674)	–	(16,674)
Dividends paid/payable	–	(298,010)	–	(298,010)	(99,788)	(397,798)
Share-based payments	–	–	24,526	24,526	13,150	37,676
Contributions by non-controlling interests (net)	–	–	–	–	42,285	42,285
Total contributions by and distributions to owners	2,196	(298,010)	4,806	(291,008)	(40,971)	(331,979)
Changes in ownership interests in subsidiaries with a change in control	–	(16,600)	16,600	–	(1,345,722)	(1,345,722)
Changes in ownership interests in subsidiaries with no change in control	–	(9,766)	3,182	(6,584)	(93,563)	(100,147)
Equity portion of convertible bonds issued	–	–	70,262	70,262	–	70,262
Repurchase of convertible bonds	–	9,887	(158,173)	(148,286)	–	(148,286)
Share of reserves of associates and joint ventures	–	(13,006)	10,299	(2,707)	(178)	(2,885)
Others	–	(2,769)	2,656	(113)	61	(52)
Total transactions with owners	2,196	(330,264)	(50,368)	(378,436)	(1,480,373)	(1,858,809)
At 31 December 2013	6,302,207	9,429,976	335,726	16,067,909	3,243,034	19,310,943

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

Statements of Changes in Equity

Year ended 31 December 2013

The Group	Attributable to owners of the Company				Non-controlling Interests	Total Equity
	Share Capital \$'000	Revenue Reserves \$'000	Other Reserves \$'000	Total \$'000		
At 1 January 2012	6,298,355	8,328,115	275,067	14,901,537	4,337,934	19,239,471
Total comprehensive income						
Profit for the year	-	930,347	-	930,347	386,224	1,316,571
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	-	(333,608)	(333,608)	(109,758)	(443,366)
Change in fair value of available-for-sale investments	-	-	(254)	(254)	-	(254)
Effective portion of change in fair value of cash flow hedges	-	-	(36,761)	(36,761)	(26,839)	(63,600)
Share of other comprehensive income of associates and joint ventures	-	-	(71,731)	(71,731)	(12,581)	(84,312)
Total other comprehensive income, net of income tax	-	-	(442,354)	(442,354)	(149,178)	(591,532)
Total comprehensive income	-	930,347	(442,354)	487,993	237,046	725,039
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares	1,656	-	(7,840)	(6,184)	7,943	1,759
Dividends paid/payable	-	(340,021)	-	(340,021)	(151,565)	(491,586)
Share-based payments	-	-	27,166	27,166	13,507	40,673
Contributions by non-controlling interests (net)	-	-	-	-	69,790	69,790
Total contributions by and distributions to owners	1,656	(340,021)	19,326	(319,039)	(60,325)	(379,364)
Effects of reclassification of a subsidiary to interest in joint venture	-	-	-	-	(150,000)	(150,000)
Changes in ownership interests in subsidiaries with a change in control	-	-	-	-	(135)	(135)
Changes in ownership interests in subsidiaries with no change in control	-	974	66	1,040	(1,040)	-
Share of reserves of associates and joint ventures	-	(10,861)	19,083	8,222	(533)	7,689
Others	-	1,891	(1,236)	655	429	1,084
Total transactions with owners	1,656	(348,017)	37,239	(309,122)	(211,604)	(520,726)
At 31 December 2012	6,300,011	8,910,445	(130,048)	15,080,408	4,363,376	19,443,784

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

The Company	Attributable to owners of the Company					
	Share Capital \$'000	Revenue Reserve \$'000	Reserve For Own Shares \$'000	Capital Reserves \$'000	Equity Compensation Reserve \$'000	Total Equity \$'000
At 1 January 2013	6,300,011	3,125,358	(49,366)	383,490	46,701	9,806,194
Total comprehensive income						
Profit for the year	–	153,443	–	–	–	153,443
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares	2,196	–	–	–	–	2,196
Dividends paid	–	(298,010)	–	–	–	(298,010)
Issue of treasury shares	–	–	14,349	–	(1,466)	12,883
Purchase of treasury shares	–	–	(16,674)	–	–	(16,674)
Share-based payments	–	–	–	–	8,180	8,180
Total contributions by and distributions to owners	2,196	(298,010)	(2,325)	–	6,714	(291,425)
Equity portion of convertible bonds issued	–	–	–	79,526	–	79,526
Repurchase of convertible bonds	–	11,950	–	(175,771)	–	(163,821)
Total transactions with owners	2,196	(286,060)	(2,325)	(96,245)	6,714	(375,720)
At 31 December 2013	6,302,207	2,992,741	(51,691)	287,245	53,415	9,583,917
At 1 January 2012	6,298,355	3,296,610	(63,456)	383,490	39,980	9,954,979
Total comprehensive income						
Profit for the year	–	168,769	–	–	–	168,769
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares	1,656	–	–	–	(204)	1,452
Dividends paid	–	(340,021)	–	–	–	(340,021)
Issue of treasury shares	–	–	14,090	–	(2,560)	11,530
Share-based payments	–	–	–	–	9,485	9,485
Total transactions with owners	1,656	(340,021)	14,090	–	6,721	(317,554)
At 31 December 2012	6,300,011	3,125,358	(49,366)	383,490	46,701	9,806,194

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

Consolidated Statement of Cash Flows

Year ended 31 December 2013

	2013 \$'000	2012 \$'000
Cash flows from operating activities		
Profit after taxation	1,184,613	1,316,571
Adjustments for:		
Accretion of deferred income	(428)	(3,302)
Allowance for:		
– doubtful receivables	8,806	22,934
– foreseeable losses	88,327	33,429
– impairment on financial assets	–	6,242
– impairment on interests in associates and joint ventures	56,007	5,034
– impairment on property, plant and equipment	31,511	8,768
Amortisation and impairment of intangible assets	1,347	1,256
Depreciation of property, plant and equipment	48,614	45,111
Finance costs	444,490	498,953
Loss on re-purchase of convertible bonds	44,639	–
Gain from bargain purchase	(6,278)	(4,488)
Gain on disposal of property, plant and equipment	(45)	(41,836)
Loss on disposal of an investment property	12,578	–
Interest income	(82,313)	(93,764)
Net fair value gain from investment properties	(176,405)	(155,092)
Net loss/(gain) on disposal/liquidation/dilution of equity investments and other financial assets	14,527	(170,850)
Realisation of reserves for pre-existing interest in acquirees	–	(5,146)
Share of results of associates and joint ventures	(1,047,368)	(834,781)
Share-based expenses	38,872	46,652
Taxation	168,908	201,907
	(354,211)	(438,973)
Operating profit before working capital changes	830,402	877,598
Changes in working capital:		
Trade and other receivables	14,291	56,894
Development properties for sale	(234,181)	(642,410)
Trade and other payables	120,975	104,471
Restricted bank deposits	(13,584)	5,396
	(112,499)	(475,649)
Cash generated from operations	717,903	401,949
Income tax paid	(194,912)	(152,650)
Net cash generated from operating activities	522,991	249,299

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

	Note	2013 \$'000	2012 \$'000
Cash flows from investing activities			
Acquisition of investment properties		(438,042)	(877,620)
Acquisitions of subsidiaries, net of cash acquired	30(b)	(566,261)	(426,382)
Repayment of/(Advance to) investee companies and other receivables		57,095	(30,931)
Deposits placed for new investments		(126,374)	(86,702)
Deposit received for disposal of a property, plant and equipment		20,250	-
Disposals of subsidiaries, net of cash disposed off	30(d)	751,160	323,001
Dividends received from associates and joint ventures		502,767	421,323
Interest income received		80,072	46,470
Repayment of loans by/(Investments in) associates and joint ventures		213,388	(1,404,352)
Prepayment for acquisition of an investment property		-	(38,091)
Proceeds from disposal of investment properties		264,042	93,854
Proceeds from disposal of property, plant and equipment		3,743	221,695
Proceeds from disposal of other financial assets		16,210	17,932
Purchase of property, plant and equipment		(81,969)	(145,895)
Net cash generated from/(used in) investing activities		696,081	(1,885,698)
Cash flows from financing activities			
(Repayment of)/Increase in shareholder loans from non-controlling interests		(108,296)	56,411
Contributions from/(Return of capital to) non-controlling interests		37,293	(917)
Dividends paid to non-controlling interests		(134,038)	(152,997)
Dividends paid to shareholders		(298,010)	(340,021)
Interest expense paid		(529,935)	(552,060)
(Payments for acquisition)/Proceeds from disposal of ownership interests in subsidiaries with no change in control		(127,803)	69,928
Proceeds from bank borrowings		3,087,572	3,348,158
Proceeds from issue of debt securities and convertible bonds		1,456,135	1,482,965
Proceeds from issue of shares under options		1,638	1,011
Purchase of treasury shares		(16,674)	-
Repayments of bank borrowings		(2,237,815)	(2,524,434)
Repayments of debt securities and convertible bonds		(1,958,136)	(431,737)
Net cash (used in)/generated from financing activities		(828,069)	956,307
Net increase/(decrease) in cash and cash equivalents		391,003	(680,092)
Cash and cash equivalents at beginning of the year		5,493,583	6,254,967
Effect of exchange rate changes on cash balances held in foreign currencies		17,872	(81,292)
Cash and cash equivalents at end of the year	15	5,902,458	5,493,583

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

Notes to the Financial Statements

Year ended 31 December 2013

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 February 2014.

1 DOMICILE AND ACTIVITIES

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

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

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

The consolidated financial statements relate to the Company and its subsidiaries (the Group) and the Group's interests in associates and joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

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

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

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 – recognition of deferred tax assets

Note 2(f), Note 5 – classification of investment properties

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of preparation *(continued)*

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

Note 2(d)	–	determination of useful lives of property, plant and equipment
Note 3	–	estimation of residual value of serviced residence properties
Note 4	–	measurement of recoverable amounts of goodwill
Note 5, Note 33	–	determination of fair value of investment properties
Note 11	–	estimation of the percentage of completion of the projects' attributable profits for development properties for sale and allowance for foreseeable losses
Note 20	–	measurement of provisions
Note 21	–	measurement of share-based payments
Note 31	–	determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
Note 33	–	determination of fair value of financial instruments

(i) Adoption of new/revised Financial Reporting Standards

FRS 19 Employee Benefits (revised 2011)

The Group applies FRS 19 *Employee Benefits* (revised 2011), which became effective as of 1 January 2013. FRS 19 amended the definition of short-term employee benefits and required employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits.

The Group currently has a bonus plan based on Economic Value Added (EVA) that was awarded to its key executives. The EVA bonus accrued during the financial year is credited into the bonus account and one-third of the balance in the bonus account will be paid out annually. The bonus payable was previously measured on an undiscounted basis. Upon adoption of FRS 19, the Group is required to measure the bonus payable after one year at the present value of the amount payable.

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

FRS 113 Fair Value Measurement

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of preparation *(continued)*

(i) Adoption of new/revised Financial Reporting Standards *(continued)*

FRS 113 Fair Value Measurement *(continued)*

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosure required as a result of the adoption of this standard has been included in note 33.

Amendments to FRS 1 Presentation of Financial Statements

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

Except for the above changes, the accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements and have been applied consistently by the entities in the Group.

(b) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Basis of consolidation *(continued)*

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and joint ventures are accounted for using the equity method (collectively referred to as equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Basis of consolidation *(continued)*

(v) Accounting for subsidiaries, associates and joint ventures by the Company

Investments in subsidiaries, associates and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

(c) Foreign currencies

Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from retranslation are recognised in the profit or loss, except for differences arising from the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation, available-for-sale equity instruments and financial liabilities designated as hedges of net investment in a foreign operation (see note 2(g)) or qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisitions, are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the end of the reporting period.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Foreign currencies *(continued)*

Net investment in a foreign operation

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

(d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets.

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

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings (excluding serviced residence properties)	Lease period ranging from 30 years to 50 years
Hospitality plant, machinery and improvements, furniture, fittings and equipment	1 to 10 years
Plant, machinery and improvements	3 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	2 to 5 years

For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. 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 nine years. No depreciation is recognised where the residual value is higher than the carrying amount.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Intangible assets

(i) Goodwill

Acquisition on or after 1 January 2010

For business combinations on or after 1 January 2010, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a bargain purchase gain is recognised in the profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

Acquisition up to 31 December 2009

Prior to 1 January 2010, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 2(j). Negative goodwill is credited to the profit or loss in the period of the acquisition.

Acquisition of non-controlling interests

From 1 January 2010, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. Previously, goodwill arising on the acquisition of non-controlling interests in a subsidiary has been recognised, and represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

(ii) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. These are amortised in the profit or loss on a straight-line basis over their estimated useful lives of one to 10 years, from the date on which the assets are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less accumulated impairment losses.

(f) Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets. Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The fair value is determined based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every three years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Investment properties and investment properties under development *(continued)*

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

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

(g) Financial instruments

(i) Non-derivative financial assets

Non-derivative financial assets comprise investments in equity and debt securities, trade and other receivables and cash and cash equivalents.

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

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

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in the profit or loss.

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets and are recognised initially at fair value plus any directly attributable transaction costs. 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 equity is reclassified to the profit or loss.

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

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Financial instruments *(continued)*

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

Loans and receivables

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

Cash and cash equivalents

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

Non-derivative financial liabilities

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

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

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

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

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

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

(ii) Derivative financial instruments and hedging activities

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Financial instruments *(continued)*

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

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

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

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance is reclassified to profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to the profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the profit or loss. The hedged item is adjusted to reflect change in its fair value in respect of the risk being hedged, with any gain or loss being recognised in the profit or loss.

Hedge of net investment in a foreign operation

In the Company's financial statements, foreign currency differences arising from the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the profit or loss. On consolidation, such differences are recognised directly in other comprehensive income and presented in the foreign currency translation reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the profit or loss. When the hedged net investment is disposed off, the cumulative amount in other comprehensive income is transferred to the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Financial instruments *(continued)*

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

Separable embedded derivatives

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

Other non-trading derivatives

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

(iii) Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss. In an exchange of convertible bond, the difference between the net proceeds of new convertible bond and the carrying value of the existing convertible bond (including its equity component) is recognised in the profit or loss.

(iv) Financial guarantees

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

Financial guarantees classified as financial liabilities

Such financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Financial guarantees classified as insurance contracts

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Financial instruments *(continued)*

(iv) Financial guarantees *(continued)*

Financial guarantees classified as insurance contracts (continued)

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

(v) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has been occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in the profit or loss and reflected as an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the available-for-sale reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the profit or loss. Changes in impairment provision attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in the profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity.

Where share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own shares account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(i) Development properties for sale and stocks

Development properties for sale and stocks are stated at the lower of cost plus, where appropriate (see note 2(n)), a portion of the attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of properties under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

(j) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties for sale and stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, an impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) **Impairment of non-financial assets** *(continued)*

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 profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

(k) **Employee benefits**

All short term employee benefits, including accumulated compensated absences, are measured on an undiscounted basis and are recognised in the period in which the employees render their services.

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

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised for the period.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Employee benefits *(continued)*

Share-based payments *(continued)*

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

(l) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

(m) Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest over the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in either property, plant and equipment (see note 2(d)) or investment properties (see note 2(f)).

(n) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Revenue recognition *(continued)*

Development properties for sale

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

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

Financial advisory and management fee

Financial advisory and management fee is recognised as and when service is 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 profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(p) Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Tax *(continued)*

- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(q) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise issued convertible bonds and share plans granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive Management Council that makes strategic resource allocation decisions. The Council comprises the President & Group Chief Executive Officer (CEO), all CEOs of business units and key management officers of the Corporate Office.

3 PROPERTY, PLANT AND EQUIPMENT

	Serviced residence properties \$'000	Leasehold land \$'000	Other leasehold buildings \$'000	Plant, machinery and improvements \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Assets under construction \$'000	Total \$'000
The Group								
Cost								
At 1 January 2013	856,803	841	32,523	48,806	2,591	328,470	266,326	1,536,360
Translation differences	(970)	-	-	1,426	35	2,677	(4,097)	(929)
Additions	3,099	-	5,555	2,911	362	42,846	28,633	83,406
Acquisition of subsidiaries	-	-	-	498	308	655	-	1,461
Disposal of subsidiaries	(20,115)	-	-	-	-	(71,818)	-	(91,933)
Disposals/Written off	-	(841)	(3,787)	(4,446)	(655)	(12,760)	(138)	(22,627)
Reclassification from/(to) other category of assets	-	-	-	-	-	87	(125,928)	(125,841)
Reclassifications	29,679	-	-	10,170	(45)	1,215	(41,019)	-
At 31 December 2013	868,496	-	34,291	59,365	2,596	291,372	123,777	1,379,897
Accumulated depreciation and impairment loss								
At 1 January 2013	14,659	91	15,013	38,886	1,313	202,783	-	272,745
Translation differences	(3,165)	-	-	986	39	3,650	-	1,510
Impairment	30,623	-	-	-	-	-	-	30,623
Depreciation for the year	2,375	-	2,086	5,085	324	38,744	-	48,614
Acquisition of subsidiaries	-	-	-	301	286	290	-	877
Disposal of subsidiaries	-	-	-	-	-	(35,951)	-	(35,951)
Disposals/Written off	-	(91)	(1,716)	(3,881)	(591)	(12,283)	-	(18,562)
Reclassification from other category of assets	-	-	-	-	-	802	-	802
Reclassifications	(21)	-	-	991	61	(1,031)	-	-
At 31 December 2013	44,471	-	15,383	42,368	1,432	197,004	-	300,658
Carrying amounts								
At 1 January 2013	842,144	750	17,510	9,920	1,278	125,687	266,326	1,263,615
At 31 December 2013	824,025	-	18,908	16,997	1,164	94,368	123,777	1,079,239

Notes to the Financial Statements

3 PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Serviced residence properties \$'000	Leasehold land \$'000	Other leasehold buildings \$'000	Plant, machinery and improvements \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Assets under construction \$'000	Total \$'000
The Group								
Cost								
At 1 January 2012	806,127	5,128	61,788	95,523	2,424	328,515	66,948	1,366,453
Translation differences	(37,754)	(43)	(384)	(2,679)	(82)	(13,402)	(5,967)	(60,311)
Additions	3,373	-	501	2,622	848	47,345	90,180	144,869
Acquisition of subsidiaries	315,016	-	-	-	-	3,356	-	318,372
Disposal of subsidiaries	(74,920)	(4,244)	(28,954)	(44,231)	(145)	(14,560)	-	(167,054)
Disposals/Written off	(169,764)	-	(428)	(2,150)	(459)	(26,618)	(6,378)	(205,797)
Reclassification from other category of assets	18,277	-	-	-	-	-	121,551	139,828
Reclassifications	(3,552)	-	-	(279)	5	3,834	(8)	-
At 31 December 2012	856,803	841	32,523	48,806	2,591	328,470	266,326	1,536,360
Accumulated depreciation and impairment loss								
At 1 January 2012	22,305	315	15,537	47,252	1,280	204,259	-	290,948
Translation differences	(289)	(3)	(35)	(1,714)	(32)	(9,581)	-	(11,654)
Impairment	-	-	1,306	-	-	66	-	1,372
Depreciation for the year	1,405	37	1,510	4,460	323	37,376	-	45,111
Disposal of subsidiaries	(8,580)	(258)	(3,091)	(9,089)	(86)	(8,222)	-	(29,326)
Disposals/Written off	-	-	(214)	(2,005)	(173)	(21,314)	-	(23,706)
Reclassifications	(182)	-	-	(18)	1	199	-	-
At 31 December 2012	14,659	91	15,013	38,886	1,313	202,783	-	272,745
Carrying amounts								
At 1 January 2012	783,822	4,813	46,251	48,271	1,144	124,256	66,948	1,075,505
At 31 December 2012	842,144	750	17,510	9,920	1,278	125,687	266,326	1,263,615

3 PROPERTY, PLANT AND EQUIPMENT *(continued)*

- (a) As at 31 December 2013, certain property, plant and equipment with carrying value totalling approximately \$563.4 million (2012: \$294.8 million) were mortgaged to banks to secure credit facilities for the Group (note 18).
- (b) In 2012, the Group transferred a portion of an investment property under development amounting to \$121.6 million to property, plant and equipment. The amount transferred represented the area that was designated to be owner-occupied. During the financial year ended 31 December 2013, the Group transferred \$125.9 million of assets under construction that were under property, plant and equipment to investment properties under development as the property ceased to be owner-occupied.
- (c) During the financial year ended 31 December 2013, interest capitalised as cost of property, plant and equipment amounted to approximately \$0.2 million (2012: \$1.0 million) (note 26(d)).
- (d) During the financial year ended 31 December 2013, the Group recognised an impairment loss of \$30.6 million relating to three pieces of land in India. The recoverable amount was determined based on fair value less costs to sell using valuations performed by independent valuers. The direct comparison method was adopted in deriving the valuations and fair value measurement is categorised as level 2 on the fair value hierarchy. The loss was recognised in "Other Operating Expenses" in the profit or loss.
- (e) Residual values of serviced residence properties at the end of the intended holding period are determined based on annual independent professional valuations using discounted cashflow method. Residual value is the estimated amount that the Group would obtain from the disposal of a property if the property is already of the age and in the condition expected at the date when the Group has the intention to dispose that property. The key assumptions used to determine the residual values of serviced residence properties include market corroborated capitalisation yield, terminal yield, discount rate and revenue per available unit (RevPau). In relying on valuation reports, management is satisfied that the valuation methods and estimates are reflective of current market conditions. Details of valuation techniques and significant unobservable inputs are set out in the table below.

Type	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Serviced residence properties located in Australia, China, Europe, Malaysia and Vietnam.	Discounted cashflow approach	- Discount rate: 7.8% to 13.0% - Terminal yield rate: 5.3% to 11.0% - RevPau: \$35 to \$578	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher RevPau.

Notes to the Financial Statements

3 PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Renovations and improvements \$'000	Furniture, fittings and equipment \$'000	Motor vehicles \$'000	Total \$'000
The Company				
Cost				
At 1 January 2013	11,887	29,270	527	41,684
Additions	230	4,233	–	4,463
Disposals/Written off	(49)	(743)	–	(792)
At 31 December 2013	12,068	32,760	527	45,355
Accumulated depreciation and impairment loss				
At 1 January 2013	11,665	15,401	218	27,284
Depreciation for the year	135	6,317	72	6,524
Disposals/Written off	(49)	(720)	–	(769)
At 31 December 2013	11,751	20,998	290	33,039
Carrying amounts				
At 1 January 2013	222	13,869	309	14,400
At 31 December 2013	317	11,762	237	12,316
Cost				
At 1 January 2012	11,748	23,934	516	36,198
Additions	143	7,049	352	7,544
Disposals/Written off	(4)	(1,713)	(341)	(2,058)
At 31 December 2012	11,887	29,270	527	41,684
Accumulated depreciation and impairment loss				
At 1 January 2012	11,379	11,780	209	23,368
Impairment	–	66	–	66
Depreciation for the year	290	5,255	72	5,617
Disposals/Written off	(4)	(1,700)	(63)	(1,767)
At 31 December 2012	11,665	15,401	218	27,284
Carrying amounts				
At 1 January 2012	369	12,154	307	12,830
At 31 December 2012	222	13,869	309	14,400

4 INTANGIBLE ASSETS

	Note	Goodwill \$'000	Others [^] \$'000	Total \$'000
The Group				
Cost				
At 1 January 2013		515,177	26,977	542,154
Acquisition of a subsidiary	30(b)	13,214	–	13,214
Additions		–	158	158
Disposals		(3,850)	–	(3,850)
Translation differences		(458)	(204)	(662)
At 31 December 2013		524,083	26,931	551,014
Accumulated amortisation and impairment loss				
At 1 January 2013		65,979	14,082	80,061
Amortisation for the year		–	1,257	1,257
Impairment	26(c)(iii)	–	90	90
Translation differences		(1,291)	162	(1,129)
At 31 December 2013		64,688	15,591	80,279
Carrying amounts				
At 1 January 2013		449,198	12,895	462,093
At 31 December 2013		459,395	11,340	470,735
Cost				
At 1 January 2012		511,086	26,969	538,055
Acquisition of a subsidiary	30(b)	16,919	–	16,919
Additions		–	1,202	1,202
Disposals		(12,350)	–	(12,350)
Reclassification to other category of assets		–	(726)	(726)
Translation differences		(478)	(468)	(946)
At 31 December 2012		515,177	26,977	542,154
Accumulated amortisation and impairment loss				
At 1 January 2012		66,161	13,172	79,333
Amortisation for the year		–	1,329	1,329
Reversal of impairment	26(a)	–	(73)	(73)
Translation differences		(182)	(346)	(528)
At 31 December 2012		65,979	14,082	80,061
Carrying amounts				
At 1 January 2012		444,925	13,797	458,722
At 31 December 2012		449,198	12,895	462,093

[^] Others comprise trademarks, franchises, patents, licences and club memberships.

Notes to the Financial Statements

4 INTANGIBLE ASSETS (continued)

	Goodwill \$'000	Others [^] \$'000	Total \$'000
The Company			
Cost and carrying amount			
At 1 January 2012, 31 December 2012 and 31 December 2013	–	147	147

[^] Others comprise trademarks, franchises, patents, licences and club memberships.

Impairment test for Goodwill

For the purpose of goodwill impairment testing, the carrying amounts of goodwill allocated to the cash-generating units (CGU) as at 31 December were as follows:

	Terminal Growth Rates		Discount Rates		Carrying Value	
	2013 %	2012 %	2013 %	2012 %	2013 \$'000	2012 \$'000
The Ascott Limited (Ascott)	1.5	0.4	6.5	5.8	428,726	432,279
A Serviced Residence in London	2.5	2.5	7.8	7.8	17,455	16,919
Self storage business in Singapore	–	–	9.9	–	13,214	–
At 31 December					459,395	449,198

The recoverable amounts of the CGU are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three to five years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rates applied are the weighted average cost of capital from the relevant business segment. The key assumptions are those relating to expected changes in average rental rates and occupancy and direct costs. The terminal growth rates used for each CGU are within management's expectation of the long term average growth rates of the respective industry and country in which the CGU operates.

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

5 INVESTMENT PROPERTIES

		The Group	
	Note	2013 \$'000	2012 \$'000
At 1 January		7,969,402	7,074,617
Acquisition of subsidiaries	30(b)	596,014	544,416
Disposal of subsidiaries	30(d)	(3,479,318)	(249,579)
Additions		578,669	904,341
Disposals		(273,690)	(93,874)
Reclassification to development properties for sale		(453,211)	(73,435)
Reclassification from/(to) property, plant and equipment		125,854	(121,551)
Changes in fair value	26(a)	176,405	155,092
Translation differences		(304,931)	(170,625)
At 31 December		4,935,194	7,969,402

- (a) Investment properties, which include those in the course of development are stated at fair value based on independent professional valuations or internal valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. Details of valuation methods and key assumptions used to estimate the fair values of investment properties are set out in note 33.

Notes to the Financial Statements

5 INVESTMENT PROPERTIES *(continued)*

- (b) As at 31 December 2013, investment properties valued at \$1,022.5 million (2012: \$2,956.1 million) were under development.
- (c) As at 31 December 2013, certain investment properties with carrying value of approximately \$3,729.6 million (2012: \$3,319.2 million) were mortgaged to banks to secure credit facilities for the Group (notes 18 and 19).
- (d) During the financial year ended 31 December 2013, interest capitalised as cost of investment properties amounted to approximately \$35.3 million (2012: \$52.6 million) (note 26(d)).
- (e) Investment properties of the Group are held mainly for use by tenants under operating leases. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:

	The Group	
	2013	2012
	\$'000	\$'000
Lease rentals receivable:		
Not later than 1 year	238,208	346,878
Between 1 and 5 years	452,568	1,096,018
After 5 years	51,520	638,301
	742,296	2,081,197

- (f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to \$7.0 million for the year (2012: \$5.7 million).

6 SUBSIDIARIES

		The Company	
		2013	2012
		\$'000	\$'000
(a)	Unquoted shares, at cost	7,439,486	7,438,402
	Less:		
	Allowance for impairment loss	(278,992)	(87,459)
		7,160,494	7,350,943
	Add:		
	Amounts due from subsidiaries:		
	Loan accounts		
	– interest bearing	3,101,250	1,424,750
	– interest free	2,737,322	1,957,468
	Less: Allowance for doubtful receivables	(259,438)	(186,247)
		5,579,134	3,195,971
		12,739,628	10,546,914

- (i) The loans to subsidiaries form part of the Company's net investment in the subsidiaries. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.
- (ii) As at 31 December 2013, the effective interest rates for amounts due from subsidiaries ranged from 1.85% to 2.95% (2012: 2.10% to 2.95%) per annum.
- (iii) Movements in allowance for impairment loss were as follows:

		The Company	
		2013	2012
		\$'000	\$'000
	Note		
At 1 January		(87,459)	(70,264)
Allowance during the year	26(c)(iii)	(191,961)	(31,904)
Reversal of allowance during the year	26(a)	–	2,601
Transfer to allowance for doubtful receivables	6(a)(iv)	–	12,108
Allowance utilised upon disposal of a subsidiary		428	–
At 31 December		(278,992)	(87,459)

The total allowance for impairment loss amounting to \$192.0 million for 2013 (2012: \$31.9 million) was recognised in respect of the Company's investments in certain subsidiaries as a result of losses incurred by these subsidiaries in their underlying investments. These investments are mainly in the non-core markets and the Group has taken impairments on the value of these investments in view of the deteriorating economic condition of these markets. The recoverable amounts for each of the relevant subsidiaries were estimated based on the higher of the value in use calculations using cash flow projections based on forecasts covering a three-year period, or the fair value of the net assets as at balance sheet date. In 2012, a transfer of impairment amounting to \$12.1 million was made as a result of an internal restructuring.

Notes to the Financial Statements

6 SUBSIDIARIES (continued)

(a) Unquoted shares, at cost (continued)

(iv) The movements in allowances for doubtful receivables in respect of the amounts due from subsidiaries were as follows:

	Note	The Company	
		2013 \$'000	2012 \$'000
At 1 January		(186,247)	(139,742)
Allowance during the year		(73,191)	(34,397)
Transfer from allowance for impairment loss	6(a)(iii)	–	(12,108)
At 31 December		(259,438)	(186,247)

The allowance for doubtful receivables of \$73.2 million in 2013 (2012: \$34.4 million) was made based on estimated future cash flow recoveries.

(b) Details of the subsidiaries are set out in note 38.

7 ASSOCIATES

		The Group	
		2013 \$'000	2012 \$'000
(a) Investment in associates		11,164,074	9,083,337
Less:			
Allowance for impairment loss		(58,563)	(28,049)
		11,105,511	9,055,288
Add:			
Amounts due from associates:			
Loan accounts			
– interest free		313,804	305,774
– interest bearing		331,289	331,289
		645,093	637,063
		11,750,604	9,692,351
Less:			
Allowance for doubtful receivables		(54)	(54)
		11,750,550	9,692,297

(i) Movements in allowance for impairment loss were as follows:

	Note	The Group	
		2013 \$'000	2012 \$'000
At 1 January		(28,049)	(48,090)
Allowance during the year	26(c)(iii)	(50,514)	(4,612)
Allowance utilised upon disposal of associates		20,000	24,653
At 31 December		(58,563)	(28,049)

7 ASSOCIATES (continued)

(a) Investment in associates (continued)

- (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) As at 31 December 2013, the effective interest rate for the loan to an associate is 2.09% (2012: 2.28%) per annum.
- (iv) Loan accounts include an amount of approximately \$331.3 million (2012: \$331.3 million), the repayment of which is subordinated to that of the external borrowings of an associate.
- (v) The Group's share of the contingent liabilities of the associates is \$400.4 million (2012: \$360.9 million).
- (vi) The Group's investments in associates include investments in listed associates with a carrying amount of \$6,411.1 million (2012: \$4,969.3 million), for which the published price quotations are \$5,891.8 million (2012: \$5,433.8 million).

		The Group	
	Note	2013 \$'000	2012 \$'000
(b) Amounts due from/(to) associates:			
Current accounts (unsecured)			
– interest free (trade)		52,357	64,131
– interest free (non-trade)		104,576	62,699
– interest bearing (non-trade)		338,511	498,550
		495,444	625,380
Less:			
Allowance for doubtful receivables		(2,544)	(19,759)
	12	492,900	605,621
Non-current loans (unsecured)			
– interest free		–	1,135
	10	–	1,135
Current accounts (mainly non-trade and unsecured)			
– interest free		(203,287)	(164,068)
– interest bearing		(389,284)	(171,374)
	16	(592,571)	(335,442)
Non-current loans (unsecured)			
– interest free		(276)	(84)
– interest bearing		(145,855)	(112,289)
	20	(146,131)	(112,373)

Notes to the Financial Statements

7 ASSOCIATES (continued)

(c) Details of the associates are set out in note 39.

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

	The Group	
	2013	2012
	\$'000	\$'000
Balance sheet		
Total assets	58,665,526	50,122,018
Total liabilities	26,947,318	23,663,896
Income statement		
Revenue	7,936,401	4,830,656
Profit after taxation	2,592,046	2,271,633

8 JOINT VENTURES

	The Group	
	2013	2012
	\$'000	\$'000
(a) Investment in joint ventures	1,829,982	1,841,201
Less:		
Allowance for impairment loss	(10,633)	(10,633)
	1,819,349	1,830,568
Add:		
Amounts due from joint ventures:		
Loan accounts		
– interest free	657,157	838,533
– interest bearing	61,625	162,341
	718,782	1,000,874
	2,538,131	2,831,442
Less:		
Allowance for doubtful receivables	(12,779)	(12,457)
	2,525,352	2,818,985

(i) Movements in allowance for impairment loss were as follows:

		The Group	
		2013	2012
	Note	\$'000	\$'000
At 1 January		(10,633)	(10,211)
Allowance during the year	26(c)(iii)	(5,493)	(422)
Allowance utilised upon disposal of a subsidiary		5,493	–
At 31 December		(10,633)	(10,633)

8 JOINT VENTURES *(continued)*

(a) Investment in joint ventures *(continued)*

- (ii) The loans to joint ventures form part of the Group's net investment in joint ventures. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.
- (iii) As at 31 December 2013, the effective interest rates for the loans to joint ventures ranged from 0.95% to 7.00% (2012: 1.06% to 7.25%) per annum.
- (iv) As at 31 December 2012, loan accounts included an amount of approximately \$178.0 million of which its repayment was subordinated to that of the external borrowings taken by certain joint ventures. Of this amount, \$148.0 million was repaid during the year while the remaining balance of \$30.0 million as at 31 December 2013, had its subordination lifted as the mortgage on the joint venture's assets has been discharged.

		The Group	
	Note	2013 \$'000	2012 \$'000
(b) Amounts due from/(to) joint ventures:			
Current accounts (unsecured)			
– interest free (trade)		11,648	18,639
– interest free (non-trade)		10,049	96,859
– interest bearing (non-trade)		9,450	9,451
		31,147	124,949
Less:			
Allowance for doubtful receivables		(10,091)	(9,268)
	12	21,056	115,681
Non-current loans (unsecured)			
– interest free		365	35,713
– interest bearing		135,000	135,000
	10	135,365	170,713
Current accounts (unsecured)			
– interest free (mainly non-trade)		(25,736)	(27,181)
– interest bearing (non-trade)		–	(31,615)
	16	(25,736)	(58,796)

- (c) Details of the joint ventures are set out in note 40.

Notes to the Financial Statements

8 JOINT VENTURES *(continued)*

- (d) Movements in allowance for doubtful receivables in respect of the above loans and current accounts were as follows:

	The Group	
	2013	2012
	\$'000	\$'000
At 1 January	(21,725)	(22,731)
Allowance during the year	(1,536)	(1,710)
Reversal of allowance during the year	–	1,663
Translation differences	391	1,053
At 31 December	(22,870)	(21,725)

- (e) The Group's share of the joint ventures' assets, liabilities and results is as follows:

	The Group	
	2013	2012
	\$'000	\$'000
Balance sheet		
Investment properties	3,557,535	3,313,799
Other non-current assets	208,498	318,691
	3,766,033	3,632,490
Current assets	959,488	1,407,584
Less:		
Current liabilities	(671,458)	(462,441)
Net current assets	288,030	945,143
	4,054,063	4,577,633
Less:		
Non-current liabilities	(2,238,229)	(2,686,547)
	1,815,834	1,891,086
Income statement		
Revenue	370,686	569,864
Expenses	(255,842)	(437,683)
Fair value gains on investment properties	104,137	31,149
Profit before taxation	218,981	163,330
Taxation	(35,500)	(27,746)
Profit after taxation	183,481	135,584

- (f) The Group's share of the capital commitments of the joint ventures is \$762.4 million (2012: \$858.5 million).
- (g) The Group's share of the contingent liabilities of the joint ventures is \$19.5 million (2012: \$9.0 million).

9 DEFERRED TAXATION

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) were as follows:

	At 1/1/2013 \$'000	Recognised in profit or loss \$'000	Recognised in equity \$'000	Acquisition/ Disposal of subsidiaries \$'000	Translation differences \$'000	At 31/12/2013 \$'000
The Group						
Deferred tax liabilities						
Accelerated tax depreciation	13,954	5,952	–	–	1,234	21,140
Discounts on compound financial instruments	33,558	(22,783)	16,288	–	–	27,063
Accrued income and interest receivable	17,908	6,100	–	–	38	24,046
Capital allowances of assets in investment properties	2,175	(2,175)	–	–	–	–
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	437,820	(91,679)	–	(31,898)	16,147	330,390
Fair value adjustments arising from a business combination	18,975	–	–	–	950	19,925
Fair value changes of investment properties	159,308	28,851	–	(24,273)	7,498	171,384
Unremitted earnings/ Deferred income	46,665	(9,790)	–	(18,266)	(2,648)	15,961
Others	27,200	59,224	–	(69,933)	(3,388)	13,103
Total	757,563	(26,300)	16,288	(144,370)	19,831	623,012
Deferred tax assets						
Unutilised tax losses	(65,262)	(49,449)	–	99,829	6,125	(8,757)
Provisions and expenses	(55,705)	(25,309)	–	37,151	2,763	(41,100)
Deferred income	(20,507)	5,058	–	14,014	1,435	–
Fair value adjustments on initial recognition of development properties for sale	(23,085)	9,713	–	–	(1,117)	(14,489)
Others	(25,610)	(2,281)	–	6,151	730	(21,010)
Total	(190,169)	(62,268)	–	157,145	9,936	(85,356)

Notes to the Financial Statements

9 DEFERRED TAXATION *(continued)*

	At 1/1/2012 \$'000	Recognised in profit or loss \$'000	Acquisition/ Disposal of subsidiaries \$'000	Translation differences \$'000	At 31/12/2012 \$'000
The Group					
Deferred tax liabilities					
Accelerated tax depreciation	14,420	2,438	(2,547)	(357)	13,954
Discounts on compound financial instruments	44,367	(10,809)	–	–	33,558
Accrued income and interest receivable	15,038	2,905	–	(35)	17,908
Capital allowances of assets in investment properties	2,148	27	–	–	2,175
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	461,680	(6,072)	–	(17,788)	437,820
Fair value adjustments arising from a business combination	–	–	19,313	(338)	18,975
Fair value changes of investment properties	140,213	34,822	(8,416)	(7,311)	159,308
Unremitted earnings/ Deferred income	41,266	6,218	–	(819)	46,665
Others	9,495	18,406	(205)	(496)	27,200
Total	728,627	47,935	8,145	(27,144)	757,563
Deferred tax assets					
Unutilised tax losses	(61,689)	(4,833)	–	1,260	(65,262)
Provisions and expenses	(58,598)	2,190	–	703	(55,705)
Deferred income	(22,809)	1,908	–	394	(20,507)
Fair value adjustments on initial recognition of development properties for sale	(24,218)	–	–	1,133	(23,085)
Others	(29,346)	3,525	–	211	(25,610)
Total	(196,660)	2,790	–	3,701	(190,169)

9 DEFERRED TAXATION (continued)

	At 1/1/2012 \$'000	Recognised in profit or loss \$'000	At 1/1/2013 \$'000	Recognised in profit or loss \$'000	Recognised in equity \$'000	At 31/12/2013 \$'000
The Company						
Deferred tax liabilities						
Discounts on compound financial instruments	44,367	(10,809)	33,558	(22,783)	16,288	27,063
Deferred tax assets						
Provisions	(2,884)	295	(2,589)	1,094	–	(1,495)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown on the balance sheets:

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Deferred tax liabilities	611,133	658,989	27,063	33,558
Deferred tax assets	(73,477)	(91,595)	(1,495)	(2,589)
	537,656	567,394	25,568	30,969

As at 31 December 2013, deferred tax liabilities amounting to \$7.9 million (2012: \$12.4 million) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries and joint ventures as these earnings would not be distributed in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Group has not recognised deferred tax assets in respect of the following:

	2013 \$'000	2012 \$'000
Deductible temporary differences	108,880	96,849
Tax losses	401,747	449,746
Unutilised capital allowances	4,211	3,921
	514,838	550,516

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.

Notes to the Financial Statements

10 OTHER NON-CURRENT/CURRENT ASSETS

	Note	The Group	
		2013 \$'000	2012 \$'000
(a) Other non-current assets			
Available-for-sale equity securities			
– at cost		13,931	13,963
– at fair value		213,626	270,768
Derivative assets		7,960	27,722
Amounts due from:			
– an associate	7(b)	–	1,135
– joint ventures	8(b), (i)	135,365	170,713
– non-controlling interests		19,806	–
Interest receivables	(ii)	70,427	61,029
Other receivables	(iii)	50,970	157,208
Deposits	(iv)	145,039	93,175
		657,124	795,713

(i) As at 31 December 2013, amount due from joint ventures included an amount due from joint venture of \$135.0 million (2012: \$135.0 million) which is unsecured and bears an effective interest rate of 3.25% (2012: 3.25%) per annum.

(ii) Interest receivables include (i) \$56.6 million (2012: \$48.4 million) in respect of a loan to an associate which bears an interest rate of 2.09% (2012: 2.28%) per annum and is due by 31 December 2016; and (ii) \$13.8 million (2012: \$12.6 million) in respect of a loan to a joint venture which bears an interest rate of 0.95% (2012: 1.06%) per annum and is not expected to be repaid within the next 12 months.

(iii) Other receivables as at 31 December 2013 include non-current consideration receivable of \$45.4 million (2012: \$63.3 million) relating to the sale of a joint venture in 2011. The total consideration is receivable in four unequal annual instalments commencing 2012. The consideration receivable within 12 months as at 31 December 2013, amounted to \$18.3 million (2012: \$13.9 million) and is included in trade and other receivables (note 14).

As at 31 December 2012, other receivables included an amount of \$70.4 million due from a third party which bore an effective interest of 13.0% per annum, was trade in nature, secured and repayable in January 2014. During the year, the amount was reclassified to current receivables and partially repaid (note 14).

(iv) The amount as at 31 December 2013 relates to deposits paid for land purchases. The amount as at 31 December 2012 relates to deposits paid for land purchases and facility fees.

(b) Other current assets

	The Group	
	2013 \$'000	2012 \$'000
Available-for-sale money market investment, at fair value	195,000	195,000
Derivative assets	1,923	6,370
	196,923	201,370

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS

		The Group	
		2013	2012
		\$'000	\$'000
(a)	Properties under development, units for which revenue is recognised using percentage of completion method:		
	Cost incurred and attributable profits	3,184,265	3,586,513
	Allowance for foreseeable losses	(17,190)	(17,190)
		3,167,075	3,569,323
	Progress billings	(441,485)	(965,158)
		2,725,590	2,604,165
	Other properties under development:		
	Cost incurred	4,133,268	4,787,520
	Allowance for foreseeable losses	(361,048)	(79,932)
		3,772,220	4,707,588
	Properties under development	6,497,810	7,311,753
(b)	Completed development properties, at cost	889,307	198,088
	Allowance for foreseeable losses	(5,463)	–
	Completed development properties	883,844	198,088
(c)	Consumable stocks	369	252
	Total development properties for sale and stocks	7,382,023	7,510,093

- (d) The Group adopts the percentage of completion method of revenue recognition for residential projects under progressive payment scheme in Singapore. The stage of completion is measured in accordance with the accounting policy stated in note 2(n). Significant assumptions are required in determining the stage of completion and the total estimated development costs. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists.

The Group makes allowance for foreseeable losses taking into account the Group's recent experience in estimating net realisable values of completed units and properties under development by reference to comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

- (e) As at 31 December 2013, development properties for sale amounting to approximately \$4,471.9 million (2012: \$2,611.2 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

Notes to the Financial Statements

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS (continued)

(f) During the financial year, the following amounts were capitalised as cost of development properties for sale:

	Note	The Group	
		2013 \$'000	2012 \$'000
Staff costs	26(b)	50,140	66,729
Interest costs paid/payable	26(d)	105,924	105,950
Less:			
Interest income received/receivable from project fixed deposit accounts	26(a)	(249)	(164)
		155,815	172,515

(g) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	Note	The Group	
		2013 \$'000	2012 \$'000
At 1 January		(97,122)	(47,693)
Allowance during the year	26(c)(i)	(99,206)	(49,429)
Acquisition of a subsidiary		(260,708)	–
Disposal of a subsidiary		73,852	–
Translation differences		(517)	–
At 31 December		(383,701)	(97,122)

(h) As at 31 December 2012, properties amounting to approximately \$57.5 million were acquired through unconditional contracts with various land vendors. The related amount due to land vendors is secured over the title of the properties being purchased (notes 16 and 20).

12 TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Accrued receivables	(a)	158,357	48,199	–	–
Trade receivables	13	151,228	269,311	51	5
Deposits and other receivables	14	164,881	209,459	369	428
Amounts due from:					
– subsidiaries	17	–	–	1,099,464	2,446,359
– associates	7(b)	492,900	605,621	–	–
– joint ventures	8(b)	21,056	115,681	–	–
– investees:					
– interest free		4,752	1,560	–	–
– interest bearing		–	23,405	–	–
– non-controlling interest (unsecured and interest free)		1,209	1,065	–	–
Loans and receivables		994,383	1,274,301	1,099,884	2,446,792
Prepayments		169,732	210,452	491	429
		1,164,115	1,484,753	1,100,375	2,447,221

12 TRADE AND OTHER RECEIVABLES (continued)

- (a) Accrued receivables relate to the remaining sales consideration not yet billed on completed development properties for sale.
- (b) As at 31 December 2013, certain trade and other receivables amounting to approximately \$28.8 million (2012: \$15.9 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

13 TRADE RECEIVABLES

Note	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade receivables	169,843	287,846	51	5
Less:				
Allowance for doubtful receivables	(18,615)	(18,535)	–	–
12	151,228	269,311	51	5

- (a) The maximum exposure to credit risk for trade receivables at the reporting date (by strategic business units) was:

	The Group	
	2013 \$'000	2012 \$'000
CapitaLand Singapore	37,243	51,725
CapitaLand China	2,505	1,888
CapitaMalls Asia	48,121	52,976
Ascott	35,620	36,423
Australand	–	93,133
Others	27,739	33,166
	151,228	269,311

The credit quality of trade and other receivables is assessed based on credit policies established by the Risk Committee. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units.

- (b) The ageing of trade receivables at the reporting date was:

	Gross amount 2013 \$'000	Allowance for doubtful receivables 2013 \$'000	Gross amount 2012 \$'000	Allowance for doubtful receivables 2012 \$'000
The Group				
Not past due	107,524	–	229,678	–
Past due 1 – 30 days	13,755	(14)	7,026	(37)
Past due 31 – 90 days	5,945	(25)	4,130	(185)
More than 90 days	42,619	(18,576)	47,012	(18,313)
	169,843	(18,615)	287,846	(18,535)

Notes to the Financial Statements

13 TRADE RECEIVABLES (continued)

(c) The movements in allowance for doubtful receivables in respect of trade receivables were as follows:

	The Group	
	2013 \$'000	2012 \$'000
At 1 January	(18,535)	(10,677)
Allowance utilised	256	653
Allowance during the year	(1,718)	(8,798)
Translation differences	1,382	287
At 31 December	(18,615)	(18,535)

Based on historical default rates, the Group believes that no allowance for doubtful receivables is necessary in respect of the receivables not past due.

14 DEPOSITS AND OTHER RECEIVABLES

Note	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Deposits	31,556	70,564	322	326
Other receivables	149,104	155,457	47	102
Less:				
Allowance for doubtful receivables	(18,499)	(19,121)	–	–
	130,605	136,336	47	102
Tax recoverable	2,720	2,559	–	–
12	164,881	209,459	369	428

Other receivables include staff loans, interest receivables, deferred sales consideration and other recoverables.

As at 31 December 2013, other receivables included an amount of \$63.5 million (2012: nil) due from a third party which bore an effective interest of 13.0% per annum, was trade in nature, secured and repayable in January 2014. This amount was recorded in non-current other receivables as at 31 December 2012 (see note 10). The amount was fully repaid in January 2014.

The movements in allowance for doubtful receivables in respect of other receivables were as follows:

	The Group	
	2013 \$'000	2012 \$'000
At 1 January	(19,121)	(19,771)
Allowance utilised	292	381
Allowance during the year	(24)	(305)
Translation differences	354	574
At 31 December	(18,499)	(19,121)

Other than disclosed above, the Group believes that no additional allowance for doubtful receivables is required in respect of the other receivables.

15 CASH AND CASH EQUIVALENTS

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Fixed deposits		3,475,244	3,428,890	311,246	438,826
Cash at banks and in hand		2,444,908	2,068,803	19,193	3,824
Cash and cash equivalents		5,920,152	5,497,693	330,439	442,650
Restricted bank deposits	(a)	(17,694)	(4,110)		
Cash and cash equivalents in the statement of cash flows		5,902,458	5,493,583		

- (a) These are bank balances of certain subsidiaries pledged in relation to bankers' guarantees issued to the subsidiaries' contractors.
- (b) As at 31 December 2013, the Group's cash and cash equivalents of \$252.3 million (2012: \$100.7 million) were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on projects.
- (c) The Group's cash and cash equivalents are held mainly in Singapore Dollars, US Dollars, Australian Dollars, Chinese Renminbi and Japanese Yen. As at 31 December 2013, the effective interest rates for cash and cash equivalents ranged from 0% to 9.25% (2012: 0% to 14.00%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria.

16 TRADE AND OTHER PAYABLES

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade payables		115,260	112,670	1,680	1,126
Accruals	(a)	631,814	484,918	30,249	43,601
Accrued development expenditure		462,835	277,694	–	–
Accrued capital expenditure	(b)	–	42,703	–	–
Progress billings		432,255	470,362	–	–
Other payables	(c)	267,410	325,164	1,028	969
Rental and other deposits		30,584	38,106	3	3
Derivative liabilities		16,797	49,255	–	–
Provisions	(d)	–	24,736	–	–
Liability for employee benefits	21	34,666	50,762	12,912	25,550
Amounts due to:					
– subsidiaries	17	–	–	1,314,621	5,445
– associates	7(b)	592,571	335,442	–	–
– joint ventures	8(b)	25,736	58,796	–	–
Non-controlling interests (unsecured):					
– interest free		2,585	88,217	–	–
– interest bearing		67,970	773	–	–
		2,680,483	2,359,598	1,360,493	76,694

Notes to the Financial Statements

16 TRADE AND OTHER PAYABLES (continued)

- (a) Accruals included accrued interest payable, accrued expenditure for property, plant and equipment purchases and accrued administrative expenses.
- (b) Accrued capital expenditure in December 2012 related to amounts due to land vendors under certain unconditional contracts entered into to purchase properties for development. The total acquisition cost of the properties has been included in development properties for sale and the amount payable was secured over the relevant development properties.
- (c) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.
- (d) The provisions relate to the Group's exposure to unavoidable costs of meeting its obligation under contractual agreements. Movements in the provisions were as follows:

	Note	The Group	
		2013 \$'000	2012 \$'000
At 1 January		24,736	58,211
Reversal of provision during the year	26(a)	(10,879)	(16,000)
Provision utilised		(13,857)	(13,603)
Set off against available-for-sale equity security		–	(3,872)
At 31 December		–	24,736

17 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Note	The Company	
		2013 \$'000	2012 \$'000
Current			
Amounts due from subsidiaries:			
– current accounts, mainly trade		21,139	23,895
– current loans			
– interest free		1,107,444	361,733
– interest bearing		–	2,090,106
		1,107,444	2,451,839
Less: Allowance for doubtful receivables		(29,119)	(29,375)
		1,078,325	2,422,464
	12	1,099,464	2,446,359
Amounts due to subsidiaries:			
– current loans and interest free		(1,314,621)	(5,445)
	16	(1,314,621)	(5,445)

17 AMOUNTS DUE FROM/(TO) SUBSIDIARIES *(continued)*

(a) Movements in allowance for doubtful receivables were as follows:

	The Company	
	2013	2012
	\$'000	\$'000
At 1 January	(29,375)	(30,625)
Allowance during the year	(365)	–
Reversal of allowance during the year	621	1,250
At 31 December	(29,119)	(29,375)

All balances with subsidiaries are unsecured and repayable on demand. In 2012, the interest-bearing loans due from subsidiaries bore effective interest rates ranging from 0.02% to 1.00% per annum.

18 BANK BORROWINGS

	The Group	
	2013	2012
	\$'000	\$'000
Bank borrowings		
– secured	3,249,456	2,742,639
– unsecured	3,111,397	4,640,291
	6,360,853	7,382,930
Finance lease (secured)	–	10
	6,360,853	7,382,940
Repayable:		
Not later than 1 year	939,310	765,826
Between 1 and 2 years	1,589,524	1,282,785
Between 2 and 5 years	3,794,270	4,970,952
After 5 years	37,749	363,377
After 1 year	5,421,543	6,617,114
	6,360,853	7,382,940

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Australian Dollars, Japanese Yen and Chinese Renminbi. As at 31 December 2013, the effective interest rates for bank borrowings ranged from 0.38% to 12.30% (2012: 0.66% to 17.00%) per annum.

(b) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

- (i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties for sale and shares of certain subsidiaries of the Group; and
- (ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

Notes to the Financial Statements

19 DEBT SECURITIES

Debt securities comprise fixed rate notes, floating rate notes and bonds issued by the Company and subsidiaries in the Group.

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Convertible bonds	3,181,411	3,523,659	3,190,458	3,512,287
Notes and bonds	3,020,523	3,273,179	–	–
	6,201,934	6,796,838	3,190,458	3,512,287
Secured notes and bonds	98,013	121,195	–	–
Unsecured notes and bonds	6,103,921	6,675,643	3,190,458	3,512,287
	6,201,934	6,796,838	3,190,458	3,512,287
Repayable:				
Not later than 1 year	254,972	16,346	–	–
Between 1 and 2 years	97,918	334,580	–	–
Between 2 and 5 years	1,481,770	2,126,648	862,186	1,487,025
After 5 years	4,367,274	4,319,264	2,328,272	2,025,262
After 1 year	5,946,962	6,780,492	3,190,458	3,512,287
	6,201,934	6,796,838	3,190,458	3,512,287

- (a) The repayment schedule for convertible bonds was based on the final maturity dates.
- (b) As at 31 December 2013, the effective interest rates for debt securities ranged from 0.52% to 5.15% (2012: 0.66% to 8.78%) per annum.
- (c) Details of the outstanding convertible bonds as at 31 December 2013 are as follows:
- (i) \$184.3 million (2012: \$424.7 million) principal amount of convertible bonds due on 15 November 2016 with interest rate at 2.10% per annum (2.10% bonds). These bonds are convertible into new ordinary shares at the conversion price of \$6.01 per share on or after 26 December 2006 and may be redeemed at the option of the Company on specified dates.
 - (ii) \$1.0 billion principal amount of convertible bonds due on 20 June 2022 with interest rate at 2.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of \$11.5218 per share on or after 20 June 2008 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.
 - (iii) \$235.3 million (2012: \$1.05 billion) principal amount of convertible bonds due on 5 March 2018 with interest rate at 3.125% per annum (3.125% bonds). These bonds are convertible into new ordinary shares at the conversion price of \$7.1468 per share on or after 15 April 2008 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates. The redemption price upon maturity is 109.998% of the principal amount.

19 DEBT SECURITIES *(continued)*

- (iv) \$467.0 million (2012: \$1.20 billion) principal amount of convertible bonds due on 3 September 2016 with interest rate at 2.875% per annum (2.875% bonds). These bonds are convertible into new ordinary shares at the conversion price of \$4.6836 (2012: \$4.6908) per share on or after 14 October 2009 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.
 - (v) \$650.0 million principal amount of convertible bonds due on 19 June 2020 with interest rate at 1.85% per annum. These bonds are convertible into new ordinary shares at the conversion price of \$5.00 per share on or after 30 July 2013 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.
 - (vi) \$800.0 million principal amount of convertible bonds due on 17 October 2023 with interest rate at 1.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of \$4.212 per share on or after 27 November 2013 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.
- (d) During the year, the Company repurchased and cancelled \$1,548.2 million convertible bonds comprising:
- (i) \$0.5 million of principal amount of 2.10% bonds due 2016;
 - (ii) \$733.0 million of principal amount of 2.875% bonds due 2016; and
 - (iii) \$814.7 million of principal amount of 3.125% bonds due 2018.

During the year, the Company also settled an aggregate principal amount of \$240.0 million of its 2.10% bonds upon the redemption by bondholders.

(e) Secured debt securities

As at 31 December 2013, the secured notes and bonds amounting to \$98.0 million (2012: \$121.2 million) were fully secured by mortgages on the investment properties of the Group. Details on assets pledged are disclosed in the respective notes to the financial statements.

Notes to the Financial Statements

20 OTHER NON-CURRENT LIABILITIES

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Amounts due to non-controlling interests (unsecured):					
– interest free		28,405	75,219	–	–
– interest bearing		188,528	248,974	–	–
Amounts due to an associate	7(b)	146,131	112,373	–	–
Liability for employee benefits	21	21,754	30,286	14,405	17,628
Derivative liabilities		12,736	137,832	–	–
Customer deposits and other non-current payables	(a)	118,990	107,984	–	–
Deferred income		283	303	–	–
		516,827	712,971	14,405	17,628

(a) As at 31 December 2012, the other non-current payables included an amount of approximately \$14.8 million, due to land vendors on terms similar to those described in note 16(b).

21 EMPLOYEE BENEFITS

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Liability for short term accumulating compensated absences		10,375	14,476	1,325	1,338
Liability for long service leave entitlement	(a)	–	7,585	–	–
Liability for staff incentive	(b)	42,201	53,612	25,856	41,363
Liability for cash-settled share-based payments		3,844	5,375	136	477
		56,420	81,048	27,317	43,178
Current	16	34,666	50,762	12,912	25,550
Non-current	20	21,754	30,286	14,405	17,628
		56,420	81,048	27,317	43,178

(a) Long service leave entitlement

This liability relates principally to provision made by a foreign subsidiary in relation to employees' leave entitlement granted after certain qualifying periods based on duration of employees' services rendered. The foreign subsidiary has ceased to be a subsidiary of the Group during the year.

(b) Staff incentive

This relates to staff incentive which is based on the achievement of the Group's financial performance and payable over a period of time.

21 EMPLOYEE BENEFITS (continued)

(c) Equity compensation benefits

Share Plans of the Company

A new CapitaLand Performance Share Plan 2010 and CapitaLand Restricted Share Plan 2010 were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. These plans replaced the CapitaLand Performance Share Plan 2000 and CapitaLand Restricted Stock Plan 2000 which were terminated. The Company did not extend the duration of, or replace, the existing CapitaLand Share Option Plan. All awards granted under the previous share plans prior to its termination will continue to be valid and be subject to the terms and conditions of the plans. The first grant of award under the new share plans was made in March 2011. The duration of each share plan is 10 years commencing on 16 April 2010.

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

The details of options and awards in the Company since commencement of the Share Plans were as follows:

	<-----Aggregate Options/Shares----->			
	Granted	Exercised/ Released	Lapsed/ Cancelled	Balance as of 31 December 2013
	No. of options/shares	No. of options/shares	No. of options/shares	No. of option/shares
CapitaLand Share Option Plan	159,442,307	(116,486,416)	(35,787,546)	7,168,345
CapitaLand Performance Share Plan 2000	34,594,651	(17,393,355)	(17,201,296)	–
CapitaLand Restricted Stock Plan 2000	33,689,553	(27,125,079)	(6,564,474)	–
CapitaLand Performance Share Plan 2010	10,377,300	–	(1,365,939)	9,011,361
CapitaLand Restricted Share Plan 2010	23,080,021	(6,279,248)	(3,286,437)	13,514,336

During the year, the aggregate number of new shares issued and/or to be issued pursuant to the 2010 Share Plans did not exceed 8% (2012: 8%) of the total number of shares (excluding treasury shares) in the capital of the Company.

CapitaLand Share Option Plan

The Company ceased to grant options under the CapitaLand Share Option Plan with effect from 2007. Statutory information regarding the CapitaLand Share Option Plan is set out below:

- (i) The exercise price of the options is set either at:
- A price equal to the volume-weighted average price on the SGX-ST over the three consecutive trading days immediately preceding the grant of the option (Market Price), or such higher price as may be determined by the ERCC in its absolute discretion; or
 - A discount not exceeding 20% of the Market Price in respect of that option.

Notes to the Financial Statements

21 EMPLOYEE BENEFITS *(continued)*

(c) Equity compensation benefits *(continued)*

CapitaLand Share Option Plan *(continued)*

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

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

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

	Weighted average exercise price 2013 \$	No. of options 2013 ('000)	Weighted average exercise price 2012 \$	No. of options 2012 ('000)
At 1 January	2.87	8,107	2.72	9,000
Exercised	1.88	(872)	1.20	(837)
Lapsed/Cancelled	3.49	(67)	3.08	(56)
At 31 December	2.99	7,168	2.87	8,107
Exercisable on 31 December	2.99	7,168	2.87	8,107

Options exercised in 2013 resulted in 871,704 (2012: 836,913) shares being issued at a weighted average market price of \$3.54 (2012: \$3.18) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was \$3.36 (2012: \$2.95).

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

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

Range of Exercise Price	Options outstanding 2013 ('000)	Weighted average contractual life (years)	Options outstanding 2012 ('000)	Weighted average contractual life (years)
\$0.30 to \$0.44	–	–	72	0.22
\$0.45 to \$0.50	137	0.16	368	1.16
\$0.51 to \$1.43	15	0.65	15	1.65
\$1.44 to \$2.16	1,095	1.19	1,310	2.18
\$2.17 to \$4.10	5,921	2.21	6,342	3.21
	7,168		8,107	

CapitaLand Performance Share Plan

This relates to compensation costs of the Company's Performance Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

21 EMPLOYEE BENEFITS *(continued)*

(c) Equity compensation benefits *(continued)*

CapitaLand Performance Share Plan *(continued)*

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

	2013 ('000)	2012 ('000)
At 1 January	9,199	9,269
Granted	3,565	3,488
Lapsed/Cancelled	(3,753)	(3,558)
At 31 December	9,011	9,199

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

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

Year of Award	2013	2012
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$2.49	\$3.79
Expected volatility based on 36 months closing share price prior to grant date	34.63%	32.40%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	25.18%	27.72%
Share price at grant date	\$3.52	\$3.11
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.38%	0.30%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.06%	2.24%
Correlation of return between MSCI Asia Pacific ex-Japan Real Estate Index and the Company's share price measured over 36 months prior to the grant date	76.40%	78.30%

Notes to the Financial Statements

21 EMPLOYEE BENEFITS *(continued)*

(c) Equity compensation benefits *(continued)*

CapitaLand Restricted Stock/Share Plan – Equity-settled/Cash-settled

This relates to compensation costs of the Company's Restricted Stock/Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate. The Company granted awards of shares under the CapitaLand Restricted Stock/Share Plan in place of options with effect from 2007.

Movements in the number of shares outstanding under the CapitaLand Restricted Stock/Share Plan were summarised below:

	2013 ('000)	2012 ('000)
At 1 January	12,314	13,063
Granted	8,919	7,635
Released [®]	(6,337)	(6,659)
Lapsed/Cancelled	(1,382)	(1,725)
At 31 December	13,514	12,314

[®] The number of shares released during the year was 6,336,694 (2012: 6,658,736), of which 487,829 (2012: 846,520) were cash-settled.

As at 31 December 2013, the number of shares comprised in awards granted under the CapitaLand Restricted Stock/Share Plan is as follows:

	2013			2012		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award) [#]	6,730	312	7,042	6,820	259	7,079
Final number of shares determined but not released	6,121	351	6,472	4,648	587	5,235
	12,851	663	13,514	11,468	846	12,314

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

21 EMPLOYEE BENEFITS (continued)

(c) Equity compensation benefits (continued)

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

The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

With effect from 2011, the awards to non-executive directors form part of the directors' fees and will be an outright grant with no performance and vesting conditions.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

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

Year of Award	2013	2012
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$3.40	\$3.00
Expected volatility based on 36 months closing share price prior to grant date	34.63%	32.40%
Share price at grant date	\$3.52	\$3.11
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.18% to 0.38%	0.15% to 0.30%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.06%	2.24%

The fair value of the shares awarded to non-executive directors in 2013 was \$3.75 (2012: \$2.68) which was the volume-weighted average price of a CapitaLand share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the date of CapitaLand's Annual General Meeting.

From 2012, cash-settled award plan for non-managerial grade employees in Singapore, Malaysia and Japan has been replaced by a Restricted Cash Plan (RCP). Under RCP, a cash bonus is distributed to eligible employees at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

Notes to the Financial Statements

21 EMPLOYEE BENEFITS *(continued)*

(c) Equity compensation benefits *(continued)*

Share Plans of Subsidiaries

(a) CapitaMalls Asia Limited (CMA)

The CMA Performance Share Plan and the CMA Restricted Stock Plan (collectively referred to as the CMA Share Plans) were approved and adopted by the shareholders of CMA at an Extraordinary General Meeting held on 30 October 2009.

CMA Performance Share Plan

This relates to compensation costs of the CMA's Performance Share Plan reflecting the benefits accruing to the employees of CMA over the service period to which the performance criteria relate.

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

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

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. From 2012, the maximum will be 175% of the baseline award.

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

Year of Award	2013	2012
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$1.64	\$2.06
Expected volatility based on average of CMA's peers' 36 months closing share price prior to grant date	25.69%	32.42%
MSCI Asia ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	20.59%	27.70%
Share price at grant date	\$2.06	\$1.65
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.38%	0.30%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.82%	2.27%
Correlation of return between MSCI Asia ex-Japan Real Estate Index and CMA's peers' share price measured over 36 months prior to the grant date	67.89%	69.97%

21 EMPLOYEE BENEFITS *(continued)*

(c) Equity compensation benefits *(continued)*

Share Plans of Subsidiaries *(continued)*

(a) CapitaMalls Asia Limited (CMA) *(continued)*

CMA Restricted Stock Plan – Equity-settled/Cash-settled

This relates to compensation costs of the CMA's Restricted Stock Plan reflecting the benefits accruing to the employees of CMA over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CMA Restricted Stock Plan were summarised below:

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

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

As at 31 December 2013, the number of shares comprised in awards granted under the CMA Restricted Stock Plan is as follows:

	2013			2012		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award) [#]	5,308	1,108	6,416	4,932	993	5,925
Final number of shares determined but not released	5,381	1,240	6,621	3,527	1,482	5,009
	10,689	2,348	13,037	8,459	2,475	10,934

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

The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. With effect from 2011, no share awards were granted under the CMA Restricted Stock Plan to the non-executive directors. From 2012, the cash-settled award plan for non-managerial grade employees has been replaced by a Restricted Cash Plan (RCP). Under the RCP, cash bonus is distributed to eligible employees at the end of each financial year based on CMA's financial performance and achievement of performance targets, as well as individual performance.

Notes to the Financial Statements

21 EMPLOYEE BENEFITS (continued)

(c) Equity compensation benefits (continued)

Share Plans of Subsidiaries (continued)

(a) CapitaMalls Asia Limited (CMA) (continued)

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

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

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

Year of Award	2013	2012
<i>Weighted average fair value of shares and assumptions</i>		
Weighted average fair value at measurement date	\$2.00	\$1.58 to \$1.92
Expected volatility based on average of CMA's peers' 36 months closing share price prior to grant date	25.69%	32.42%
Share price at grant date	\$2.06	\$1.65
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.18% to 0.38%	0.15% to 0.30%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.82%	2.27%

(b) Australand

Australand has ceased to be a subsidiary and become an associate of the Group during the year. The details of Australand's share plans in 2012 were as follows:

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 31 December 2012 was 6,323,909.

The fair value at grant date was independently determined using the Monte Carlo simulation technique. This technique involved 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 was repeated numerous times to produce distribution payoff amounts. The performance rights value was taken as the average of the payoff amounts calculated and discounted back to the valuation date. The fair value and assumptions used in 2012 are set out below:

Year of Award	2012
<i>Fair value of performance rights and assumptions</i>	
Weighted average value at measurement date	A\$1.78
Share price at grant date	A\$2.49
Expected price volatility of Australand's stapled securities	32.0%
Expected dividend yield	8.0%
Risk-free discount rate	2.5%
Expected franking rate	0%
Australand and index correlation	50.0%

21 EMPLOYEE BENEFITS *(continued)*

(c) Equity compensation benefits *(continued)*

Share Plans of Subsidiaries *(continued)*

(b) Australand *(continued)*

Australand Tax-Exempt Employee Security Plan

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

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

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

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

No securities were issued under the Australand Tax-Exempt Employee Security Plan in 2012.

22 SHARE CAPITAL

	The Company	
	2013	2012
	No. of shares	No. of shares
	('000)	('000)
Issued and fully paid, with no par value		
At 1 January	4,270,491	4,269,439
Issue of shares pursuant to the:		
– Exercise of options	872	837
– Restricted Stock Plan	–	63
– Payment of directors' fees	148	152
At 31 December, including treasury shares	4,271,511	4,270,491
Less: Treasury shares	(19,465)	(19,612)
At 31 December, excluding treasury shares	4,252,046	4,250,879

- (a) The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.
- (b) At 31 December 2013, there were 7,168,345 (2012: 8,106,575) options under the CapitaLand Share Option Plan, a maximum of 16,461,031 (2012: 17,548,384) shares under the CapitaLand Performance Share Plan and 16,216,593 (2012: 14,878,434) shares under the CapitaLand Restricted Stock/Share Plan, details of which are disclosed in note 21(c).

Notes to the Financial Statements

22 SHARE CAPITAL (continued)

- (c) As at 31 December 2013, the convertible bonds issued by the Company which remained outstanding were as follows:

Principal Amount \$ million	Final Maturity Date Year	Conversion Price \$	Convertible Into New Ordinary Shares
184.25 [#]	2016	6.0100	30,657,237
235.25	2018	7.1468	32,916,829
467.00	2016	4.6836	99,709,625
650.00	2020	5.0000	130,000,000
800.00	2023	4.2120	189,933,523
1,000.00	2022	11.5218	86,791,994

[#] On 15 November 2013, the Company settled an aggregate principal amount of \$240.0 million of the convertible bonds following the exercise of put options by certain holders of the bonds.

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

- (d) Movements in the Company's treasury shares were as follows:

	The Company	
	2013	2012
	No. of shares (‘000)	No. of shares (‘000)
At 1 January	19,612	25,209
Purchase of treasury shares	5,554	–
Treasury shares transferred pursuant to employee share plans	(5,701)	(5,597)
At 31 December	19,465	19,612

Capital Management

The Group's policy is to build a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total shareholders' equity, excluding non-controlling interests, and the level of dividends to ordinary shareholders.

The Group also monitors capital using a net debt equity ratio, which is defined as net borrowings divided by total equity (including non-controlling interests).

	The Group	
	2013	2012
	\$'000	\$'000
Bank borrowings and debt securities	12,562,787	14,179,778
Cash and cash equivalents	(5,920,152)	(5,497,693)
Net debt	6,642,635	8,682,085
Total equity	19,310,943	19,443,784
Net debt equity ratio	0.34	0.45

22 SHARE CAPITAL *(continued)*

Capital Management *(continued)*

The Group seeks to strike a balance between the higher returns that might be possible with higher level of borrowings and the liquidity and security afforded by a sound capital position.

In addition, the Company has a share purchase mandate as approved by its shareholders which allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased are held as treasury shares which the Company may transfer for the purposes of or pursuant to its employee share-based incentive schemes so as to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders.

Five of the Group's subsidiaries (2012: Five) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust management. These subsidiaries have complied with the applicable capital requirements throughout the year.

There were no changes in the Group's approach to capital management during the year.

23 OTHER RESERVES

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Reserve for own shares	(51,691)	(49,366)	(51,691)	(49,366)
Capital reserve	404,863	463,217	287,245	383,490
Equity compensation reserve	120,800	114,948	53,415	46,701
Hedging reserve	(20,964)	(91,171)	–	–
Available-for-sale reserve	5,018	5,469	–	–
Foreign currency translation reserve	(122,300)	(573,145)	–	–
	335,726	(130,048)	288,969	380,825

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held in treasury.

The capital reserve comprises mainly the value of the options granted to bondholders to convert their convertible bonds into ordinary shares of the Company and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the options and shares under the share plans of the Company and its subsidiaries (note 21(c)).

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet affected profit or loss.

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale investment until the investment is derecognised.

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

Notes to the Financial Statements

24 OTHER COMPREHENSIVE INCOME

	2013			2012		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Exchange differences arising from translation of foreign operations and foreign currency loans, forming part of net investment in foreign operations	155,188	–	155,188	(470,356)	–	(470,356)
Recognition of exchange differences in profit or loss	86,032	–	86,032	26,990	–	26,990
Change in fair value of available-for-sale investments	2,511	–	2,511	1,248	–	1,248
Recognition of available-for-sale reserve in profit or loss	(2,980)	–	(2,980)	(1,502)	–	(1,502)
Effective portion of change in fair value of cash flow hedges	43,608	–	43,608	(63,600)	–	(63,600)
Recognition of hedging reserve in profit or loss	35,674	–	35,674	–	–	–
Share of other comprehensive income of associates and joint ventures	217,164	–	217,164	(84,312)	–	(84,312)
Recognition of share of other comprehensive income of associates and joint ventures in profit or loss	4,158	–	4,158	–	–	–
	541,355	–	541,355	(591,532)	–	(591,532)

25 REVENUE

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

	The Group		The Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Trading of properties	2,668,950	2,026,282	–	–
Rental and related income	490,420	455,791	–	–
Fee income	486,704	517,193	65,530	71,471
Serviced residence rental and related income	305,849	282,013	–	–
Dividend income from subsidiaries	–	–	522,462	373,356
Others	25,564	20,084	–	–
	3,977,487	3,301,363	587,992	444,827

26 PROFIT BEFORE TAXATION

Profit before taxation includes the following:

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
(a) Other operating income					
Interest income from:					
– fixed deposits		37,730	38,860	675	776
– subsidiaries		–	–	70,788	40,366
– associates and joint ventures		36,093	44,211	–	–
– investee companies and others		8,739	10,857	–	–
– interest capitalised in development properties for sale	11(f)	(249)	(164)	–	–
		82,313	93,764	71,463	41,142
Dividend income		3,606	606	–	–
Net fair value gains from investment properties	5	176,405	155,092	–	–
Gain on disposal/redemption of available-for-sale financial assets		3,127	1,514	–	–
Gain from bargain purchase arising from acquisition of associate and subsidiary		6,278	4,488	–	–
Gain on disposal of property, plant and equipment		45	41,836	35	23
Gain from change of ownership interest in subsidiaries, associates and joint ventures		–	174,482	–	–
Reversal of provision for foreseeable losses	16(d)	10,879	16,000	–	–
Reversal of impairment of intangibles	4	–	73	–	–
Reversal of impairment of subsidiaries	6(a)(iii)	–	–	–	2,601
Receipt of settlement of insurance claim		–	14,035	–	–
Others		98,474	85,059	19,607	18,341
		381,127	586,949	91,105	62,107

Notes to the Financial Statements

26 PROFIT BEFORE TAXATION (continued)

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
(b) Staff costs					
Wages and salaries		476,777	484,763	38,069	40,947
Contributions to defined contribution plans		51,353	49,991	2,864	2,564
Share-based expenses					
– equity-settled		37,786	41,844	7,667	9,485
– cash-settled		1,086	4,808	7	427
Increase in liability for short term accumulating compensated absences		996	1,168	(13)	427
Staff benefits, training/development costs and others		75,630	77,957	3,722	4,453
		643,628	660,531	52,316	58,303
Less:					
Staff costs capitalised in development properties for sale	11(f)	(50,140)	(66,729)	–	–
		593,488	593,802	52,316	58,303
Recognised in:					
Cost of sales	(c)(i)	291,035	250,320	–	–
Administrative expenses	(c)(ii)	302,453	343,482	52,316	58,303
		593,488	593,802	52,316	58,303
(c)(i) Cost of sales include:					
Costs of development properties for sale		2,273,066	1,493,389	–	–
Depreciation of property, plant and equipment	3	332	28	–	–
Provision for foreseeable losses/ Write down on development properties for sale	11(g)	99,206	49,429	–	–
Operating expenses of investment properties		111,579	110,125	–	–
Operating lease expenses		91,124	81,470	–	–
Staff costs	(b)	291,035	250,320	–	–

26 PROFIT BEFORE TAXATION (continued)

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
(c)(ii) Administrative expenses include:					
Allowance for doubtful receivables		1,942	12,699	–	–
Amortisation of intangible assets		1,257	1,329	–	–
Auditors' remuneration:					
– auditors of the Company		2,222	2,515	184	167
– other auditors		4,582	3,872	–	–
Non-audit fees:					
– auditors of the Company		134	197	11	10
– other auditors		1,822	385	–	–
Depreciation of property, plant and equipment	3	48,282	45,083	6,524	5,617
Operating lease expenses		33,107	34,906	4,639	4,663
Staff costs	(b)	302,453	343,482	52,316	58,303
(c)(iii) Other operating expenses include:					
Allowance for doubtful receivables		6,864	10,235	72,935	33,147
Foreign exchange loss		24,742	8,654	30	63
Impairment of:					
– subsidiaries	6(a)(iii)	–	–	191,961	31,904
– associate	7(a)(i)	50,514	4,612	–	–
– joint ventures	8(a)(i)	5,493	422	–	–
Impairment and write off of property, plant and equipment		31,511	8,768	1	80
Impairment of intangible assets	4	90	–	–	–
Impairment of available-for-sale financial assets		–	6,242	–	–
Loss on repurchase of convertible bonds		44,639	–	–	–
Loss on disposal of investment property		12,578	–	–	–
Loss on change of ownership interest in subsidiaries, associates and joint ventures		17,654 [#]	–	–	–

[#] Includes re-measurement gain of \$8.0 million attributable to recognising investment retained in a former subsidiary at its fair value.

Notes to the Financial Statements

26 PROFIT BEFORE TAXATION (continued)

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
(d) Finance costs					
Interest costs paid and payable:					
– on bank loans and overdrafts		254,317	281,732	–	–
– on debt securities		128,940	113,195	–	–
– to non-controlling interests		4,083	6,211	–	–
Convertible bonds:					
– interest expense		97,833	105,991	97,833	105,991
– amortisation of bond discount		56,771	63,584	56,771	63,584
– accretion of bond premium		6,782	10,517	6,782	10,517
Derivative financial instruments		(14,598)	21,555	–	–
Others		51,797	55,663	1,867	5,238
Total borrowing costs		585,925	658,448	163,253	185,330
Less:					
Borrowing costs capitalised in:					
– property, plant and equipment	3(c)	(183)	(965)	–	–
– investment properties	5(d)	(35,328)	(52,580)	–	–
– development properties for sale	11(f)	(105,924)	(105,950)	–	–
		(141,435)	(159,495)	–	–
		444,490	498,953	163,253	185,330

27 TAXATION

		The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current tax expense					
– Based on current year's results		309,246	203,283	504	–
– Over provision in respect of prior years		(51,170)	(37,415)	–	–
– Group relief		(600)	(14,686)	(1,421)	(1,908)
		257,476	151,182	(917)	(1,908)
Deferred tax expense					
– Origination and reversal of temporary differences		(82,494)	47,922	(21,689)	(10,514)
– (Over)/Under provision in respect of prior years		(6,074)	2,803	–	–
		(88,568)	50,725	(21,689)	(10,514)
Total		168,908	201,907	(22,606)	(12,422)

27 TAXATION *(continued)*
Reconciliation of effective tax rate

	The Group	
	2013	2012
	\$'000	\$'000
Profit before taxation	1,353,521	1,518,478
Less: Share of results of associates and joint ventures	(1,047,368)	(834,781)
Profit before share of results of associates, joint ventures and taxation	306,153	683,697
Income tax using Singapore tax rate of 17% (2012: 17%)	52,046	116,228
Adjustments:		
Expenses not deductible for tax purposes	163,348	145,534
Income not subject to tax	(139,168)	(121,045)
Effect of unrecognised tax losses and other deductible temporary differences	48,476	15,908
Effect of different tax rates in foreign jurisdictions	49,416	55,167
Effect of taxable distributions from associates	28,017	30,008
Over provision in respect of prior years	(57,244)	(34,612)
Group relief	(600)	(14,686)
Withholding taxes	24,795	13,846
Others	(178)	(4,441)
	168,908	201,907

	The Company	
	2013	2012
	\$'000	\$'000
Profit before taxation	130,837	156,347
Income tax using Singapore tax rate of 17% (2012: 17%)	22,242	26,579
Adjustments:		
Expenses not deductible for tax purposes	47,417	27,462
Income not subject to tax	(88,827)	(61,861)
Effect of other deductible temporary differences	(2,986)	(1,633)
Group relief	(1,421)	(1,908)
Others	969	(1,061)
	(22,606)	(12,422)

Notes to the Financial Statements

28 EARNINGS PER SHARE

(a) Basic earnings per share

	The Group	
	2013	2012
	\$'000	\$'000
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	849,795	930,347
	2013	2012
	Number of shares	
	('000)	
Weighted average number of ordinary shares in issue during the year	4,255,980	4,249,408

(b) Diluted earnings per share

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

	The Group	
	2013	2012
	\$'000	\$'000
Net profit attributable to owners of the Company	849,795	930,347
Profit impact of conversion of the potential dilutive shares	53,958	–
Adjusted net profit attributable to owners of the Company	903,753	930,347
Adjustments for potential dilutive shares under:		
– CapitaLand Share Option Plan	935	916
– CapitaLand Performance Share Plan	16,461	17,548
– CapitaLand Restricted Stock/Share Plan	16,216	14,879
– Convertible bonds	316,297	–
	349,909	33,343
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	4,605,889	4,282,751

29 DIVIDENDS

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 8.0 cents per share in respect of the financial year ended 31 December 2013. This would amount to a payout of approximately \$340.2 million based on the number of issued shares (excluding 19,465,215 treasury shares) as at 31 December 2013. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2012, a tax-exempt ordinary dividend of 7.0 cents per share was approved at the Annual General Meeting held on 26 April 2013. The said dividends of \$298.0 million were paid in May 2013.

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during the year is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
BSG Holdings Pte Ltd	July 2013	100%
Super Plus Limited	August 2013	100%
Shanghai Guang Chuan Property Co., Ltd.	December 2013	70%

The list of significant subsidiaries acquired in 2012 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
CapitaRetail LPM Investments Pte Ltd [#]	February 2012	48%
CapitaRetail IH Investments Pte Ltd [#]	February 2012	48%
CapitaRetail CK Investments Pte Ltd [#]	February 2012	48%
Caike Property (Shanghai) Co., Ltd [^]	March 2012	50%
ACRJ3 Pte Ltd	May 2012	70%
The Cavendish Hotel (London) Limited	October 2012	100%

[#] These were previously associates of the Group.

[^] This was previously a joint venture of the Group.

Notes to the Financial Statements

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Effects of acquisitions

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

The Group	Note	Recognised values	
		2013 \$'000	2012 \$'000
Property, plant and equipment		584	318,372
Investment properties	5	596,014	544,416
Development properties for sale		251,565	–
Cash and cash equivalents		6,751	70,952
Other current assets		851	5,900
Current liabilities		(84,971)	(265,065)
Long-term bank borrowings		–	(72,201)
Shareholder's loan		(32,290)	(43,766)
Deferred tax liabilities		(1,143)	(33,485)
Other non-current liabilities		–	(24,442)
Non-controlling interests		(173,550)	(1,711)
		563,811	498,970
Amounts previously accounted for as associates, joint ventures and other financial assets, at fair value		(36,303)	(59,903)
Net assets acquired		527,508	439,067
Goodwill arising from acquisition	4	13,214	16,919
Gain from bargain purchase		–	(4,488)
Assumption of shareholder's loan		32,290	43,766
Total purchase consideration		573,012	495,264
Less:			
Deferred payment and other adjustments		–	2,070
Cash of subsidiaries acquired		(6,751)	(70,952)
Cash outflow on acquisition of subsidiaries		566,261	426,382

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed during the year is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Beijing CapitaLand Xin Ming Real Estate Development Co., Ltd.	March 2013	100%
Radiant I Pte. Ltd. #	April 2013	65%
Crystal II Pte. Ltd. #	April 2013	65%
Citadines SIP Pte. Ltd. ^	June 2013	100%
ARC-CapitaLand Three TMK ^	June 2013	89%
Abbey Road Limited #	July 2013	45%
Australand*	November 2013	20%

These subsidiaries were sold to CapitaMalls China Development Fund III, an associate, in which the Group has an effective interest of 32.7% as at 31 December 2013.

^ These subsidiaries were sold to Ascott Residence Trust, an associate, in which the Group has an effective interest of 45.3% as at 31 December 2013.

* The Group retained an effective interest of 39.1% in Australand.

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Disposal of subsidiaries (continued)

The disposed subsidiaries previously contributed net profit of \$66.4 million from 1 January 2013 to the respective dates of disposal.

The list of significant subsidiaries disposed in 2012 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Franco Investment Limited	March 2012	100%
Growing State Holdings Limited #	June 2012	65%
CapitaRetail China Developments D18 (HK) Limited #	June 2012	65%
Hong Kong Yong Zheng Group Company Limited ^	September 2012	100%
Citadines Ashley TST (Hong Kong) Limited	October 2012	100%

* These subsidiaries were sold to CapitaMalls China Development Fund III, an associate, in which the Group has an effective interest of 32.7% as at 31 December 2012.

^ This subsidiary was sold to Ascott Residence Trust, an associate, in which the Group has an effective interest of 49.4% as at 31 December 2012.

The disposed subsidiaries previously contributed net profit of \$5.8 million from 1 January 2012 to the respective dates of disposal.

(d) Effects of disposals

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

	Note	The Group	
		2013 \$'000	2012 \$'000
Property, plant and equipment		55,982	137,728
Investment properties	5	3,479,318	249,579
Associates & joint ventures		182,846	-
Deferred tax assets		36,718	-
Other non-current assets		128,643	88,537
Development properties for sale		1,370,778	23,387
Other current assets		319,153	44,156
Current liabilities		(232,875)	(186,602)
Bank borrowings		(1,810,866)	(46,987)
Deferred tax liabilities		(25,086)	(25,340)
Other non-current liabilities		(168,877)	-
Non-controlling interests		(1,493,378)	-
Net assets		1,842,356	284,458
Less:			
Equity interests retained as associates		(1,150,303)	(191,518)
Net assets disposed		692,053	92,940
Realisation of reserves		121,637	6,842
Deferred income		-	7,451
(Loss)/Gain on disposal of subsidiaries		(7,487)	151,301
Sale consideration		806,203	258,534
Repayment of bank and shareholders' loan		69,542	147,491
Deposit received in prior year in relation to disposal of a subsidiary		-	(48,976)
Cash of subsidiaries disposed		(124,585)	(34,048)
Cash inflow on disposal of subsidiaries		751,160	323,001

Notes to the Financial Statements

31 BUSINESS COMBINATIONS

The Group has the following business combinations during the year:

Acquisition of BSG Holdings Pte Ltd

On 1 July 2013, the Group acquired 100% equity interest of BSG Holdings Pte Ltd (BSGH). BSGH is in the business of managing and operating four self storage facilities under the brand “Big Orange” in Singapore.

The Group currently operates its self storage business through the “StorHub” brand with seven facilities in Singapore and two facilities in China. With the acquisition, StorHub becomes the largest self storage company with the widest location network in Singapore. The acquisition also allows StorHub to capitalise on the complementary strengths of both platforms.

BSGH contributed revenue of \$4.7 million and net profit of \$4.1 million to the Group's results for the period from 1 July 2013 to 31 December 2013. If the acquisition had occurred on 1 January 2013, management estimates that the contribution from BSGH in terms of revenue and net profit would have been \$11.8 million and \$6.9 million respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition has occurred on 1 January 2013.

Purchase consideration

The consideration for the acquisition was \$91.3 million and was settled in cash. No contingent consideration or indemnification asset was recognised at the acquisition date. Both the Group and the acquired entities do not have a relationship before this acquisition. Therefore, there was no settlement of pre-existing relationship.

Goodwill of \$13.2 million was recognised as a result of the difference between consideration transferred and the fair value of the identifiable net assets.

Effects of cash flows of the Group

	2013 \$'000
Purchase consideration paid	91,298
Less: Cash and cash equivalents in subsidiary acquired	(2,807)
Net cash outflow on acquisition	88,491

Identifiable assets acquired and liabilities assumed

	2013 \$'000
Property, plant and equipment	365
Investment properties	76,420
Current assets	3,482
Current liabilities	(1,711)
Non-current liabilities	(472)
Total identifiable net assets	78,084
Goodwill on acquisition	13,214
Purchase consideration	91,298

31 BUSINESS COMBINATIONS *(continued)*

Acquisition of BSG Holdings Pte Ltd *(continued)*

Acquisition-related costs

Acquisition-related costs of \$1.0 million related to stamp duties, legal and due diligence fees were included in administrative expenses in the consolidated income statement.

In 2012, the Group had the following business combination:

Acquisition of The Cavendish Hotel (London) Limited

On 1 October 2012, the Group acquired 100% equity interest in The Cavendish Hotel (London) Limited (Cavendish). Cavendish owns a property known and operated as The Cavendish London (the Hotel) since 1966.

The acquisition is part of the Group's ongoing strategy to deepen its presence and enhance its real estate portfolio in key growth cities in Asia and Europe.

Cavendish contributed revenue of \$8.1 million and net profit of \$2.5 million to the Group's results for the period from 1 October 2012 to 31 December 2012.

If the acquisition had occurred on 1 January 2012, management estimates that the contribution from Cavendish in terms of revenue and net profit would have been \$32.2 million and \$10.2 million respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2012.

Purchase Consideration

The consideration for the acquisition was \$320.9 million, which included the assignment of shareholder's loan due from Cavendish to its previous shareholder, and was settled in cash. No contingent consideration or indemnification asset was recognised at the acquisition date. Both the Group and the acquired entities do not have a relationship before this acquisition. Therefore, there was no settlement of pre-existing relationship.

Goodwill of \$16.9 million was recognised as a result of the difference between consideration transferred and the fair value of the identifiable net assets.

Effects of cash flows of the Group

	2012 \$'000
Cash consideration paid	277,168
Assumption of shareholder's loan	43,766
Purchase consideration	320,934
Less: Cash and cash equivalents in subsidiary acquired	(5,455)
Net cash outflow on acquisition	315,479

Notes to the Financial Statements

31 BUSINESS COMBINATIONS *(continued)*

Acquisition of The Cavendish Hotel (London) Limited *(continued)*

Identifiable assets acquired and liabilities assumed

	2012 \$'000
Property, plant and equipment	318,298
Cash and cash equivalents	5,455
Other current assets	3,201
Non-current liabilities	(19,313)
Current liabilities	(47,392)
Total identifiable net assets	260,249
Goodwill on acquisition	16,919
Assumption of shareholder's loan	43,766
Purchase consideration	320,934

Acquisition-related costs

Acquisition-related costs of \$1.2 million related to stamp duties, legal, tax and due diligence fees were included in administrative and other operating expenses in the consolidated income statement.

32 FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Group and the Company are exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as currency forwards, interest rate swaps and caps as well as foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the Risk Assessment Group (RAG). RAG generates a comprehensive portfolio risk report to assist the committee. This quarterly report measures a spectrum of risks, including property market risks, construction risks, interest rate risks, refinancing risks and currency risks.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products comprise fixed deposits or short term commercial papers which yield better returns than cash at bank.

32 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Market risk *(continued)*

(i) Interest rate risk *(continued)*

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 interest rate swaps and caps as at 31 December 2013 was \$16.3 million (2012: \$183.0 million), comprising derivative liabilities of \$16.3 million (2012: \$183.0 million).

Sensitivity analysis

For interest rate derivative instruments used for hedging and other variable rate financial liabilities, it is estimated that an increase of 100 basis point in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and revenue reserves) by approximately \$39.4 million (2012: \$33.0 million). A decrease in 100 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

(ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Australian Dollars, Chinese Renminbi, Euro, Hong Kong Dollars, Japanese Yen, Sterling Pounds and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group uses forward exchange contracts to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between three months and one year which are rolled over at market rates at maturity. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency.

The net fair value loss of the forward exchange and cross currency swaps contracts as at 31 December 2013 was \$3.3 million (2012: net fair value gain of \$30.0 million), comprising derivative assets of \$9.9 million (2012: \$34.0 million) and derivative liabilities of \$13.2 million (2012: \$4.0 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.

Notes to the Financial Statements

32 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Foreign currency risk (continued)

The Group's and the Company's exposure to foreign currencies as at 31 December 2013 and 31 December 2012 were as follows:

The Group	US Dollars \$'000	Australian Dollars \$'000	Chinese Renminbi \$'000	Hong Kong Dollars \$'000	Japanese Yen \$'000	Euro \$'000	Malaysian Ringgit \$'000	Others [#] \$'000	Total Foreign Currencies \$'000
2013									
Other financial assets	-	-	-	3,810	209,817	-	-	-	213,627
Trade and other receivables	106,308	114,615	313,515	19,782	8,780	45,739	8,826	193,684	811,249
Cash and cash equivalents	214,721	111,909	1,034,339	3,055	122,950	9,555	46,218	43,331	1,586,078
Borrowings	(887,665)	(1,012,876)	(430,233)	(221,585)	(745,850)	(71,763)	(83,169)	(296,847)	(3,749,988)
Trade and other payables	(263,752)	(16,227)	(1,050,872)	(16,606)	(51,479)	(45,865)	(23,194)	(60,155)	(1,528,150)
Gross currency exposure	(830,388)	(802,579)	(133,251)	(211,544)	(455,782)	(62,334)	(51,319)	(119,987)	(2,667,184)
Add/Less: Net financial liabilities denominated in the respective entities' functional currencies	135,410	917,927	319,410	178,936	464,243	67,125	98,650	216,411	2,398,112
Cross currency swaps/foreign exchange forward contracts	502,308	-	-	-	-	(906)	1,165	-	502,567
Less: Available-for- sale financial assets	-	-	-	(3,810)	-	-	-	-	(3,810)
Net currency exposure	(192,670)	115,348	186,159	(36,418)	8,461	3,885	48,496	96,424	229,685

[#] Others include mainly United Arab Emirates Dirham, Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

32 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Foreign currency risk (continued)

The Group	US Dollars \$'000	Australian Dollars \$'000	Chinese Renminbi \$'000	Hong Kong Dollars \$'000	Japanese Yen \$'000	Euro \$'000	Malaysian Ringgit \$'000	Others [#] \$'000	Total Foreign Currencies \$'000
2012									
Other financial assets	4,336	–	–	3,338	267,252	33	–	–	274,959
Trade and other receivables	141,518	326,328	202,244	18,930	52,552	33,195	4,404	140,191	919,362
Cash and cash equivalents	135,664	140,876	968,073	7,794	264,323	18,990	47,736	34,882	1,618,338
Borrowings	(903,690)	(2,587,113)	(499,379)	(223,860)	(1,132,141)	(61,801)	(86,323)	(123,499)	(5,617,806)
Trade and other payables	(203,715)	(287,927)	(580,726)	(15,435)	(75,557)	(47,623)	(25,186)	(62,415)	(1,298,584)
Gross currency exposure	(825,887)	(2,407,836)	90,212	(209,233)	(623,571)	(57,206)	(59,369)	(10,841)	(4,103,731)
Add/Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(71,097)	2,458,904	11,096	186,728	649,492	55,514	109,375	7,577	3,407,589
Gross currency swaps/foreign exchange forward contracts	728,517	–	–	–	(23,405)	–	–	–	705,112
Less: Available-for- sale financial assets	(4,336)	–	–	(3,338)	(2,087)	–	–	–	(9,761)
Net currency exposure	(172,803)	51,068	101,308	(25,843)	429	(1,692)	50,006	(3,264)	(791)

[#] Others include mainly Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

The Company	US Dollars \$'000	Total Foreign Currency \$'000
2013		
Cash and cash equivalents	91	91
Trade and other receivables	7	7
Currency exposure	98	98
2012		
Cash and cash equivalents	130	130
Trade and other receivables	4	4
Currency exposure	134	134

32 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Market risk *(continued)*

(ii) Foreign currency risk *(continued)*

Sensitivity analysis

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore Dollar would increase the Group's profit before tax by approximately \$11.5 million (2012: not significant) and increase the Group's other components of equity by approximately \$0.2 million (2012: \$0.5 million). A five percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

There was no significant exposure to foreign currencies for the Company as at 31 December 2013 and 31 December 2012.

(iii) Equity price risk

The Group does not have significant exposure to equity price risk as at 31 December 2013 and 31 December 2012.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade receivables, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables relate mainly to the Group's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

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 they have 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 35.

The Group has a diversified portfolio of businesses and as at balance sheet date, there was no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint ventures.

32 FINANCIAL RISK MANAGEMENT (continued)

(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.

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
2013					
Financial liabilities, at amortised cost					
Bank borrowings	6,360,853	6,722,617	1,070,326	5,608,371	43,920
Debt securities	6,201,934	7,584,634	416,587	2,273,116	4,894,931
Trade and other payables [#]	2,628,759	2,662,197	2,182,991	436,533	42,673
	15,191,546	16,969,448	3,669,904	8,318,020	4,981,524
Derivative financial liabilities, at fair value	29,533	42,475	27,190	15,285	–
	15,221,079	17,011,923	3,697,094	8,333,305	4,981,524
2012					
Financial liabilities, at amortised cost					
Bank borrowings	7,382,940	7,963,958	958,430	6,625,330	380,198
Debt securities	6,796,838	8,530,756	184,909	3,411,084	4,934,763
Trade and other payables [#]	2,273,336	2,276,522	1,778,959	426,836	70,727
	16,453,114	18,771,236	2,922,298	10,463,250	5,385,688
Derivative financial liabilities, at fair value	187,087	45,276	25,794	23,788	(4,306)
	16,640,201	18,816,512	2,948,092	10,487,038	5,381,382

[#] Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

Notes to the Financial Statements

32 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

		<-----Contractual cash flows----->			
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	After 5 years
The Company	\$'000	\$'000	\$'000	\$'000	\$'000
2013					
Financial liabilities, at amortised cost					
Debt securities	3,190,458	3,918,364	69,845	1,199,046	2,649,473
Trade and other payables [#]	1,347,580	1,347,580	1,347,580	–	–
	4,538,038	5,265,944	1,417,425	1,199,046	2,649,473
2012					
Financial liabilities, at amortised cost					
Debt securities	3,512,287	4,390,211	81,576	2,004,459	2,304,176
Trade and other payables [#]	51,144	51,144	51,144	–	–
	3,563,431	4,441,355	132,720	2,004,459	2,304,176

[#] Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

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 profit or loss:

		<-----Contractual cash flows----->			
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	After 5 years
The Group	\$'000	\$'000	\$'000	\$'000	\$'000
2013					
Interest rate swaps					
– liabilities	(16,300)	(29,329)	(13,957)	(15,372)	–
Forward foreign exchange contracts					
– assets	55	55	55	–	–
Cross currency interest rate swaps					
– assets	7,960	17,522	1,482	8,020	8,020
	(8,285)	(11,752)	(12,420)	(7,352)	8,020

32 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

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
2012					
Interest rate swaps					
– (liabilities)/assets	(130,802)	(54,591)	(26,109)	(28,547)	65
Forward start interest rate swaps					
– (liabilities)/assets	(6,499)	(1,686)	–	(1,694)	8
Forward foreign exchange contracts					
– assets	1,760	1,760	1,760	–	–
Cross currency interest rate swaps					
– (liabilities)/assets	(4,050)	14,339	1,154	6,452	6,733
	(139,591)	(40,178)	(23,195)	(23,789)	6,806

(e) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's and the Company's balance sheets; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheets.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the balance sheets.

The Group's derivative transactions that are not transacted through an exchange, are governed by the International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements, the amounts due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount and settled between the counterparties. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and set off into a single net amount to be settled.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheets as a right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

32 FINANCIAL RISK MANAGEMENT (continued)

(e) Offsetting financial assets and financial liabilities (continued)

The Group	Gross amount of recognised financial assets/ (liabilities) \$'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet \$'000	Related amount not offset in the balance sheet \$'000	Net amount \$'000
2013					
Types of financial assets					
Forward foreign exchange contracts	1,923	–	1,923	(1,605)	318
Cross currency swaps	7,960	–	7,960	–	7,960
	9,883	–	9,883	(1,605)	8,278
Types of financial liabilities					
Interest rate swaps	(16,232)	–	(16,232)	–	(16,232)
Forward foreign exchange contracts	(13,233)	–	(13,233)	1,605	(11,628)
	(29,465)	–	(29,465)	1,605	(27,860)
2012					
Types of financial assets					
Forward foreign exchange contracts	6,370	–	6,370	–	6,370
Cross currency swaps	27,722	–	27,722	–	27,722
	34,092	–	34,092	–	34,092
Types of financial liabilities					
Interest rate swaps	(130,736)	–	(130,736)	–	(130,736)
Interest rate callable swaps	(45,736)	–	(45,736)	–	(45,736)
Forward start interest rate swaps	(6,499)	–	(6,499)	–	(6,499)
Cross currency swaps	(4,050)	–	(4,050)	–	(4,050)
	(187,021)	–	(187,021)	–	(187,021)
The Company					
	Gross amount of recognised financial assets/ (liabilities) \$'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet \$'000	Related amount not offset in the balance sheet \$'000	Net amount \$'000
2013					
Types of financial assets					
Amount due from subsidiaries, current account	21,572	(433)	21,139	–	21,139
Types of financial liabilities					
Amount due to subsidiaries, current account	(433)	433	–	–	–
2012					
Types of financial assets					
Amount due from subsidiaries, current account	24,367	(472)	23,895	–	23,895
Types of financial liabilities					
Amount due to subsidiaries, current account	(472)	472	–	–	–

32 FINANCIAL RISK MANAGEMENT (continued)

(e) Offsetting financial assets and financial liabilities (continued)

The Group	Net amount \$'000	Line item in the balance sheet \$'000	Carrying amount in the balance sheet \$'000	Financial assets/ (liabilities) not in scope of offsetting disclosures \$'000	Note
2013					
Types of financial assets					
Forward foreign exchange contracts	1,923	Other current assets, including derivatives	196,923	195,000	10(b)
Cross currency swaps	7,960	Other non-current assets, including derivatives	657,124	649,164	10(a)
Types of financial liabilities					
Interest rate swaps	(16,232)				
Forward foreign exchange contracts	(13,233)				
	(29,465)	Other non-current liabilities and trade and other payables, including derivatives	(3,197,310)	(3,167,845)	16 and 20
2012					
Types of financial assets					
Forward foreign exchange contracts	6,370	Other current assets, including derivatives	201,370	195,000	10(b)
Cross currency swaps	27,722	Other non-current assets, including derivatives	795,713	767,991	10(a)
Types of financial liabilities					
Interest rate swaps	(130,736)				
Interest rate callable swaps	(45,736)				
Forward start interest rate swaps	(6,499)				
Cross currency swaps	(4,050)				
	(187,021)	Other non-current liabilities and trade and other payables, including derivatives	(3,072,569)	(2,885,548)	16 and 20
The Company					
2013					
Types of financial assets					
Amount due from subsidiaries, current account	21,139	Trade and other receivables	1,100,375	1,079,236	12
2012					
Types of financial assets					
Amount due from subsidiaries, current account	23,895	Trade and other receivables	2,447,221	2,423,326	12

33 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determination of fair value

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

(i) Derivatives

Forward currency contracts, cross currency swap contracts, interest rate swap and interest rate cap contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present valuation calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate and forward rate curves.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date. In respect of the liability component of convertible bonds, the fair value at initial recognition is determined using a market interest rate of similar liabilities that do not have a conversion option.

(iii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the balance sheet date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument in the balance sheet.

(iv) Investment properties

The Group's investment property portfolio is mostly valued by external and independent valuation companies every six months. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques including direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. 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.

Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin on construction and development. The estimated cost to complete is determined based on the construction cost per square metre in the pertinent area.

33 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(a) Determination of fair value *(continued)*

(v) Property, plant and equipment

The fair value of the property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The residual values of serviced residence properties at the end of the intended holding period are determined based on annual independent professional valuations, using valuation methods such as discounted cash flow and/or comparison method. The key assumptions used to determine the residual values of serviced residence properties include terminal yield and discount rate.

(vi) Share-based payment transactions

The fair values of employee performance share plan and restricted stock/share plan are measured using Monte Carlo Simulation. The fair value of employee share option plan is measured using Enhanced Trinomial (Hull and White) valuation model. Measurement inputs include the share price at grant date, expected volatility (based on an evaluation of the historical volatility of the Company's and subsidiaries' share price), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair values.

(b) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(c) Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for short term trade and other receivables, cash and cash equivalents and trade and other payables as their carrying amounts are reasonable approximation of fair values.

Notes to the Financial Statements

33 FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(c) Accounting classifications and fair values *(continued)*

The Group	Note	<----- Carrying amount ----->				Total \$'000
		Fair value - hedging instruments \$'000	Loans and receivables \$'000	Available- for-sale \$'000	Other financial liabilities within the scope of FRS 39 \$'000	
2013						
Financial assets measured at fair value						
Available-for-sale financial assets:						
- Equity securities	10(a)	-	-	213,626	-	213,626
- Money market investment	10(b)	-	-	195,000	-	195,000
Derivative financial assets:						
- Foreign exchange forward contracts	10(b)	1,923	-	-	-	1,923
- Cross currency swaps	10(a)	7,960	-	-	-	7,960
		9,883	-	408,626	-	418,509
Financial assets not measured at fair value						
Other non-current assets		-	276,568	-	-	276,568
		-	276,568	-	-	276,568
Financial liabilities measured at fair value						
Derivative financial liabilities:						
- Interest rate swaps		(16,300)	-	-	-	(16,300)
- Foreign exchange forward contracts		(13,233)	-	-	-	(13,233)
		(29,533)	-	-	-	(29,533)
Financial liabilities not measured at fair value						
Other non-current liabilities		-	-	-	(86,408)	(86,408)
Bank borrowings	18	-	-	-	(6,360,853)	(6,360,853)
Debt securities	19	-	-	-	(6,201,934)	(6,201,934)
		-	-	-	(12,649,195)	(12,649,195)

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classifications and fair values (continued)

The Group	<----- Fair value ----->			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2013				
Financial assets measured at fair value				
Available-for-sale financial assets:				
- Equity securities	-	-	213,626	213,626
- Money market investment	-	195,000	-	195,000
Derivative financial assets:				
- Foreign exchange forward contracts	-	1,923	-	1,923
- Cross currency swaps	-	7,960	-	7,960
	-	204,883	213,626	418,509
Financial assets not measured at fair value				
Other non-current assets	-	-	276,568	276,568
	-	-	276,568	276,568
Financial liabilities measured at fair value				
Derivative financial liabilities:				
- Interest rate swaps	-	(16,300)	-	(16,300)
- Foreign exchange forward contracts	-	(13,233)	-	(13,233)
	-	(29,533)	-	(29,533)
Financial liabilities not measured at fair value				
Other non-current liabilities	-	-	(82,470)	(82,470)
Bank borrowings	-	(6,365,561)	-	(6,365,561)
Debt securities	(4,479,149)	(1,907,795)	-	(6,386,944)
	(4,479,149)	(8,273,356)	(82,470)	(12,834,975)

Notes to the Financial Statements

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classifications and fair values (continued)

		<----- Carrying amount ----->				Fair value	
		Fair value - hedging instruments	Loans and receivables	Available- for-sale	Other financial liabilities within the scope of FRS 39	Total	Total
The Group	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012							
Financial assets measured at fair value							
Available-for-sale financial assets:							
- Equity securities	10(a)	-	-	270,768	-	270,768	270,768
- Money market investment	10(b)	-	-	195,000	-	195,000	195,000
Derivative financial assets:							
- Forward exchange contracts	10(b)	6,370	-	-	-	6,370	6,370
- Cross currency swaps	10(a)	27,722	-	-	-	27,722	27,722
		34,092	-	465,768	-	499,860	499,860
Financial assets not measured at fair value							
Other non-current assets		-	390,085	-	-	390,085	390,085
		-	390,085	-	-	390,085	390,085
Financial liabilities measured at fair value							
Derivative financial liabilities:							
- Interest rate swaps		(183,036)	-	-	-	(183,036)	(183,036)
- Cross currency swaps		(4,051)	-	-	-	(4,051)	(4,051)
		(187,087)	-	-	-	(187,087)	(187,087)
Financial liabilities not measured at fair value							
- Other non-current liabilities		-	-	-	(73,780)	(73,780)	(73,780)
- Bank borrowings	18	-	-	-	(7,382,940)	(7,382,940)	(7,387,743)
- Debt securities	19	-	-	-	(6,796,838)	(6,796,838)	(7,220,308)
		-	-	-	(14,253,558)	(14,253,558)	(14,681,831)

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Accounting classifications and fair values (continued)

		Carrying amount Other financial liabilities within the scope of FRS 39	<----- Fair value ----->			
			Level 1	Level 2	Level 3	Total
The Company	Note	\$'000	\$'000	\$'000	\$'000	\$'000

2013						
Financial liabilities not measured at fair value						
Debt securities	19	(3,190,458)	(3,306,930)	–	–	(3,306,930)
		(3,190,458)	(3,306,930)	–	–	(3,306,930)

		Carrying amount Other financial liabilities within the scope of FRS 39 \$'000	Fair value Total \$'000
The Company	Note		
2012			
Financial liabilities not measured at fair value			
Debt securities	19	(3,512,287)	(3,830,561)
		(3,512,287)	(3,830,561)

The following table shows the carrying amounts and fair values of significant non-financial assets, including their levels in the fair value hierarchy.

		<----- Fair value ----->			
		Level 1	Level 2	Level 3	Total
The Group	Note	\$'000	\$'000	\$'000	\$'000
2013					
Non-financial assets measured at fair value					
Investment properties	5	–	–	4,935,194	4,935,194

Notes to the Financial Statements

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements

(i) Reconciliation of Level 3 fair value

The movements of financial and non-financial assets classified under Level 3 are presented as follows:

The Group	Note	Equity securities \$'000	Investment properties \$'000
Balance as at 1 January 2013		268,681	7,969,402
Acquisition of subsidiaries	30(b)	–	596,014
Disposal of subsidiaries	30(d)	–	(3,479,318)
Additions		–	578,669
Disposals		(178)	(273,690)
Capital reduction		(11,083)	–
Changes in fair value recognised in the profit or loss		–	176,405
Changes in fair value recognised in other comprehensive income		1,699	–
Reclassifications (to)/from development properties for sale and property, plant and equipment		–	(327,357)
Translation differences		(45,493)	(304,931)
Balance as at 31 December 2013		213,626	4,935,194

(ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Shopping malls, offices, serviced residences and mixed development properties located in China, Hong Kong, Japan, Malaysia, Singapore and Vietnam.	Capitalisation approach	– Capitalisation rate: 5.4% to 8.5% (net ¹); 5.5% to 9.0% (gross ²)	The estimated fair value varies inversely against the capitalisation rate.
	Discounted cashflow approach	– Discount rate: 4.1% to 15.0% – Terminal yield rate: 3.5% to 12.0%	The estimated fair value varies inversely against the discount rate and terminal yield rate.
	Residual value method	– Gross development value \$1,147.3 million, estimated cost to completion of \$325.9 million	The estimated fair value increases with higher gross development value and decreases with higher cost to completion.

¹ Net yield basis : after deducting property and related expenses

² Gross yield basis : before deducting property and related expenses

The fair value of equity securities was estimated based on the fair value of the underlying investment property of the investee company. The valuation was based on discounted cash flow approach and its significant unobservable inputs were consistent with the information as presented above.

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(d) Level 3 fair value measurements (continued)

(iii) Valuation processes applied by the Group

The significant non-financial asset of the Group categorised within Level 3 of the fair value hierarchy is investment properties. Generally, the fair values of investment properties are determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio every six months. The valuation and its financial impact are discussed with the Audit Committee and Board of Directors in accordance with the Group's reporting policies.

34 COMMITMENTS

As at the balance sheet date, the Group and the Company had the following commitments:

(a) Operating lease

The Group leases a number of offices, motor vehicles, office equipments and serviced apartments under operating leases. The leases have tenure ranging from one to 30 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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Lease payments payable:				
Not later than 1 year	109,057	110,688	7,405	4,359
Between 1 and 5 years	294,064	268,985	36,238	34,275
After 5 years	148,387	70,220	47,455	88,463
	551,508	449,893	91,098	127,097

(b) Commitments

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	41,943	7,106	9,303	944
– development expenditure contracted but not provided for in the financial statements	1,414,596	1,357,956	–	–
– capital contribution in associates and joint ventures	679,758	1,207,755	–	–
– purchase of lands/properties contracted but not provided for in the financial statements	905,944	796,344	–	–
– shareholders' loan committed to associates	267,710	281,302	–	–
	3,309,951	3,650,463	9,303	944

Notes to the Financial Statements

34 COMMITMENTS (continued)

(c) As at the balance sheet date, the notional principal values of financial instruments were as follows:

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Interest rate swaps	2,203,942	4,321,425	–	–
Forward start interest rate swaps	–	255,318	–	–
Forward foreign exchange contracts	670,464	739,386	–	–
Cross currency swaps	488,200	695,816	–	–
	3,362,606	6,011,945	–	–

(d) The maturity profile of these financial instruments were:

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Not later than 1 year	830,464	1,824,487	–	–
Between 1 and 5 years	2,043,942	2,878,879	–	–
After 5 years	488,200	1,308,579	–	–
	3,362,606	6,011,945	–	–

35 FINANCIAL GUARANTEE CONTRACTS

The Group accounts for its financial guarantees as insurance contracts. There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. At balance sheet date, the Group and the Company do not consider that it is probable that a claim will be made against the Group and the Company under the financial guarantee contracts. Accordingly, the Group and the Company do not expect any net cash outflows resulting from the financial guarantee contracts. The Group and the Company issue guarantees only for their subsidiaries and related parties.

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	–	–	2,929,639	2,525,499
– associates	–	34,764	–	–
– joint ventures	8,367	9,414	–	–
	8,367	44,178	2,929,639	2,525,499

(b) Undertakings by the Group and the Company:

- (i) A subsidiary of the Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of term loan and revolving construction facilities amounting to \$869.1 million (2012: \$1,486.1 million) and bankers' guarantee facility amounting to \$133.9 million (2012: \$133.9 million) granted to an associate. As at 31 December 2013, the total amount outstanding under the facilities was \$736.8 million (2012: \$1,325.3 million).

35 FINANCIAL GUARANTEE CONTRACTS *(continued)*

(b) Undertakings by the Group and the Company: *(continued)*

- (ii) A subsidiary of the Group has provided several undertakings on cost overrun, interest shortfall, security margin and project completion on a joint and several basis, in respect of term loan and revolving loan facilities amounting to \$890.0 million (2012: \$890.0 million) granted to a joint venture. As at 31 December 2013, the amount outstanding under the facilities was \$610.0 million (2012: \$470.0 million).
- (iii) A subsidiary of the Group has provided an undertaking on security margin on a joint and several basis, in respect of term loan and revolving loan facilities amounting to \$1,618.0 million (2012: \$1,618.0 million) granted to a joint venture. As at 31 December 2013, the amount outstanding under the facilities was \$1,618.0 million (2012: \$1,618.0 million).
- (iv) Certain subsidiaries of the Group in China, whose principal activities are the trading of development properties, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at 31 December 2013, the outstanding notional amount of the guarantees amounted to \$182.2 million (2012: \$61.6 million).
- (v) In 2012, a subsidiary of the Group had provided several undertakings on cost overrun, security margin and interest shortfall on a several basis as well as a project completion undertaking on a joint and several basis, in respect of a term loan facility amounting to \$56.5 million and bankers' guarantee facility amounting to \$42.0 million granted to a joint venture. The undertakings were discharged during the year.

36 CONTINGENCIES

- (a) Pursuant to a loan agreement dated 13 December 2010, a subsidiary of the Group had granted an option to a third party to put a piece of freehold land used for a proposed mixed commercial development to the Group within three years from 27 December 2010 at MYR255.0 million upon the occurrence of certain trigger events. The put option was terminated during the year as the loan has been repaid.
- (b) Pursuant to a loan agreement dated 10 April 2012, a subsidiary of the Group had granted a third party an option to put a residential development to the Group within two years from 10 April 2012 at AUD77.1 million upon the occurrence of certain trigger events. The put option was terminated during the year as the loan has been repaid.

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 direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, and Executive Management Council comprising the President & Group 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 *(continued)*

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

	The Group		The Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Related Corporations				
Project management fee income	2,246	2,154	–	–
Subsidiaries				
Management fee income	–	–	65,530	71,471
IT and administrative support services	–	–	17,324	16,681
Others	–	–	707	(113)
Associates and Joint Ventures				
Management fee income	311,407	339,510	–	–
Construction and project management income	52,614	78,549	–	–
Rental expense	(54,306)	(44,260)	(4,091)	(3,498)
Proceeds from sale of properties and investments	281,443	359,322	–	–
Acquisition of a property	–	179,500	–	–
Accounting service fee, acquisition fee, divestment fee, marketing income and others	61,483	81,352	(326)	(266)
Key Management Personnel				
Subscription of bonds issued by a subsidiary	–	430	–	–
Repurchase of bonds by the Company	558	–	558	–
Interest paid/payable by the Company and its subsidiaries	96	390	36	155
Sale of residential property by a subsidiary	–	3,680	–	–
Remuneration of Key Management Personnel				
Salary, bonus and other benefits	13,240	20,868	7,364	10,369
Employer's contributions to defined contribution plans	109	136	52	60
Equity compensation benefits	5,818	9,146	3,387	4,835
	19,167	30,150	10,803	15,264

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	
	2013 %	2012 %
CapitaLand Financial Limited	100	100
CapitaLand Regional Investments Limited (formerly known as CapitaValue Homes Limited)	100	100
CapitaLand Residential Limited	100	100
CapitaLand Singapore Limited (formerly known as CapitaLand Commercial Limited)	100	100
CapitaLand Treasury Limited	100	100
CapitaMalls Asia Limited	65.4	65.4
CL Pinnacle Pte Ltd	100	100
The Ascott Limited	100	100

- (b) Other significant subsidiaries in the Group are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2013 %	2012 %
(i) Directly or indirectly held by CapitaLand Residential Limited:			
Ankerite Pte Ltd	Singapore	– [#]	60.0
Ausprop Holdings Limited	Singapore	100	100
² Australand	Australia	– [@]	59.3
Austvale Holdings Ltd	Singapore	100	100
CapitaLand China Holdings Pte Ltd	Singapore	100	100
CRL Realty Pte Ltd	Singapore	– [#]	100
Jubilee Realty Pte Ltd	Singapore	– [#]	100

[#] Transferred to CapitaLand Singapore Limited. See note 38(b)(ii).

[®] Australand has ceased to be a subsidiary and become an associate of the Group during the year. See note 39(i).

Notes to the Financial Statements

38 SUBSIDIARIES (continued)

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2013 %	2012 %
(ii) Directly or indirectly held by CapitaLand Singapore Limited:			
Ankerite Pte Ltd	Singapore	60.0 ⁺	–
Brilliance Residential (1) Pte Ltd	Singapore	82.7 [*]	82.7 [*]
BSG Holdings Pte Ltd	Singapore	100	–
BSG No. 1 Pte Ltd	Singapore	100	–
BSG No. 2 Pte Ltd	Singapore	100	–
BSG No. 3 Pte Ltd	Singapore	100	–
BSG No. 4 Pte Ltd	Singapore	100	–
CapitaCommercial Trust Management Limited	Singapore	100 [^]	–
¹ CapitaLand Azabu West TMK	Japan	100	100
CapitaLand (Office) Investments Pte Ltd	Singapore	100	100
CapitaLand (U.K.) Pte Ltd	Singapore	100	100
CRL Realty Pte Ltd	Singapore	100 ⁺	–
E-Pavilion Pte Ltd	Singapore	100	100
Jubilee Realty Pte Ltd	Singapore	100 ⁺	–
SBR Private Limited	Singapore	100	100
StorHub 615 Toa Payoh Pte Ltd	Singapore	100	62.0
StorHub 743 Toa Payoh Pte Ltd	Singapore	100	62.0
StorHub Group Pte Ltd	Singapore	100	62.0
¹ StorHub (GZ Jingxi) Co., Ltd	The People's Republic of China	100	62.0
¹ StorHub (SH HXL) Co., Ltd	The People's Republic of China	100	62.0

⁺ Transferred from CapitaLand Residential Limited. See note 38(b)(i).

^{*} Includes 32.7% interest indirectly held through CapitaMalls Asia Limited.

[^] Transferred from CapitaLand Financial Limited. See note 38(b)(vi).

38 SUBSIDIARIES (continued)

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2013 %	2012 %
(iii) Directly or indirectly held by CapitaLand China Holdings Pte Ltd:			
CapitaLand Fund Management (Asia) Pte Ltd	Singapore	100 [#]	–
¹ CapitaLand Management (China) Co., Ltd	The People's Republic of China	100	100
¹ CapitaLand XinYe (Hangzhou) Real Estate Development Co., Ltd	The People's Republic of China	100	100
¹ Dongjin Real Estate Development (Tian Jin) Co., Ltd	The People's Republic of China	100	100
Eider Pte Ltd	Singapore	100	100
¹ Longtex Investment Limited	Hong Kong	100	100
¹ Shanghai Guang Chuan Property Co., Ltd	The People's Republic of China	70.0	–
¹ Shanghai Orient Overseas Yongye Real Estate Co., Ltd	The People's Republic of China	99.0	99.0
³ Shenzhen Municipal Golden Dragon Property Development Limited	The People's Republic of China	73.0	73.0
¹ Xin Yue Property (Shanghai) Co., Ltd	The People's Republic of China	80.0	80.0
[#] Transferred from CapitaLand Financial Limited. See note 38(b)(vi).			
(iv) Directly or indirectly held by CapitaMalls Asia Limited:			
CapitaLand Retail Singapore Investments Pte Ltd	Singapore	65.4	65.4
⁴ CMA China II (BVI) Holdings Limited	British Virgin Islands	65.4	65.4
CMA China II Pte Ltd	Singapore	65.4	65.4
CMA Japan Holdings Pte Ltd	Singapore	65.4	65.4
Cressida Enterprises Ltd	Singapore	65.4	65.4

Notes to the Financial Statements

38 SUBSIDIARIES (continued)

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2013 %	2012 %
(v) Directly or indirectly held by The Ascott Limited:			
ACRJ 3 Pte Ltd	Singapore	88.9	88.9
Ascott Residence Trust Management Limited	Singapore	100	100
CH Residential Pte Ltd	Singapore	100 [®]	100 [®]
¹ Citadines Melbourne on Bourke Pty Ltd	Australia	100	100
Somerset Capital Pte Ltd	Singapore	100	100
The Ascott Capital Pte Ltd	Singapore	100	100
The Ascott Holdings Limited	Singapore	100	100
¹ The Cavendish Hotel (London) Limited	United Kingdom	100	100

[®] Includes 50% interest indirectly held through CapitaLand Singapore Limited.

(vi) Directly or indirectly held by CapitaLand Regional Investments Limited and CapitaLand Financial Limited:

CapitaCommercial Trust Management Limited	Singapore	– [^]	100
¹ CapitaLand-Hoang Thanh Company Limited	Vietnam	70.0	70.0
¹ CapitaLand-Vista Joint Venture Co., Ltd	Vietnam	80.0	80.0
CapitaLand Fund Management (Asia) Pte Ltd	Singapore	– ⁺	100
Precinct Australia Pte Ltd	Singapore	100	100

[^] Transferred to CapitaLand Singapore Limited. See note 38(b)(ii).

⁺ Transferred to CapitaLand China Holdings Pte Ltd. See note 38(b)(iii).

Notes:

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

² Audited by PricewaterhouseCoopers and its associated firms.

³ Audited by Shenzhen Yida Certified Public Accountants.

⁴ Not required to be audited by laws of country of incorporation.

39 ASSOCIATES

Details of significant associates are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2013 %	2012 %
(i) Indirectly held by CapitaLand Residential Limited:			
² Australand	Australia	39.1 [®]	–
[®] Australand has ceased to be a subsidiary and become an associate of the Group during the year. See note 38(b)(i).			
(ii) Directly held by CL Pinnacle Pte Ltd:			
CapitaLand Township Holdings Pte Ltd (formerly known as Surbana Corporation Pte Ltd)	Singapore	40.0	40.0
Surbana International Consultants Holdings Pte Ltd (formerly known as Surbana Consultants Holdings Pte Ltd)	Singapore	40.0 [^]	40.0
[^] Pursuant to an internal restructuring in 2013, Surbana Consultants Holdings Pte. Ltd. was spin-off from Surbana Corporation Pte. Ltd. via a dividend in specie.			
(iii) Indirectly held by CapitaLand Singapore Limited:			
CapitaCommercial Trust	Singapore	32.1	32.3 [#]
² DBS China Square Limited	Singapore	30.0	30.0
Morganite Pte Ltd	Singapore	35.0	35.0
[#] Includes 3.2% interest indirectly held through CapitaLand Financial Limited as at 31 December 2012.			
(iv) 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	27.0	27.1
³ Lai Fung Holdings Limited	Cayman Islands	20.0	20.0
Raffles City China Fund Ltd	Cayman Islands	49.8 [®]	45.4 [®]
Senning Property Ltd	British Virgin Islands	38.8 ⁺	38.8 ⁺

[®] Includes 9.8% interest indirectly held through CapitaMalls Asia Limited as at 31 December 2013 and 31 December 2012.

⁺ Includes 11.8% interest indirectly held through CapitaMalls Asia Limited as at 31 December 2013 and 31 December 2012.

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39 ASSOCIATES (continued)

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2013 %	2012 %
(v) Indirectly held by CapitaMalls Asia Limited:			
CapitaMall Trust*	Singapore	18.1	18.0
CapitaMalls China Development Fund III	Singapore	32.7	32.7
CapitaMalls China Income Fund	Singapore	29.4	29.4
CapitaMalls China Income Fund II* (formerly known as CapitaMalls China Incubator Fund)	Singapore	19.6	19.6
CapitaMalls China Income Fund III (formerly known as CapitaMalls China Development Fund II)	Singapore	29.4	29.4
CapitaMalls India Development Fund	Singapore	29.7	29.8
CapitaMalls Japan Fund Private Limited*	Singapore	17.2	17.2
¹ CapitaMalls Malaysia Trust	Malaysia	23.6	23.5
CapitaRetail China Trust*	Singapore	16.7	16.4

* Considered to be an associate as the Group has significant influence over the financial and operating policy decisions of the investee through its subsidiary, CapitaMalls Asia Limited.

(vi) Indirectly held by The Ascott Limited:

Ascott Residence Trust	Singapore	45.3	49.4
Ascott Serviced Residence (China) Fund	Cayman Islands	36.1	36.1

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 PricewaterhouseCooper and its associated firms.
- ³ Audited by Ernst & Young and its associated firms.

40 JOINT VENTURES

Details of significant joint ventures are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group	
		2013 %	2012 %
(i) Indirectly held by CapitaLand Singapore Limited:			
Arc-CapitaLand India Private Limited	Cayman Islands	49.0	49.0
(ii) Indirectly held by CapitaLand China Holdings Pte Ltd:			
CTM Property Trust	Singapore	51.7 [#]	51.7 [#]
[#] Includes 20.5% interest indirectly held through CapitaMalls Asia Limited as at 31 December 2013 and 31 December 2012.			
(iii) Indirectly held by CapitaMalls Asia Limited:			
Orchard Turn Holding Pte Ltd	Singapore	32.7	32.7
¹ Suzhou Jinghui Properties Co., Ltd	The People's Republic of China	32.7	32.7
(iv) Indirectly held by CapitaLand Regional Investments Limited:			
Vietnam Joint Venture Company Limited	Cayman Islands	50.0	50.0

Notes:

All significant joint ventures are audited by KPMG LLP Singapore except for the following:

¹ Audited by other member firms of KPMG International.

Notes to the Financial Statements

41 OPERATING SEGMENTS

Management determines the operating segments based on the reports reviewed and used by the Executive Management Council 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.

With effect from 3 January 2013, CapitaLand realigned and simplified its Group's organisational structure to sharpen its focus on key markets and further accelerate its growth potential.

The Group was realigned into four main businesses – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia (CMA) and The Ascott Limited (Ascott). Under the simplified organisational structure, the Group's businesses in Singapore and China excluding that of CMA and Ascott, were consolidated into CapitaLand Singapore and CapitaLand China respectively. CMA and Ascott were the other two main business units and they operate across geographies that CapitaLand is in. The segmental information in this report has been prepared based on the new organisational structure and the comparative information has been restated.

The Group's reportable operating segments are as follows:

- (i) CapitaLand Singapore – owner/manager of commercial and industrial properties and develops residential properties in Singapore and Malaysia for sale.
- (ii) CapitaLand China – involves in the residential, commercial and integrated property development in China.
- (iii) CapitaMalls Asia – shopping mall owner/manager with portfolio in Singapore, China, India, Japan and Malaysia.
- (iv) Ascott – an international serviced residence owner-operator with operations in key cities of Asia Pacific, Europe and the Gulf region. It operates three brands, namely Ascott, Somerset and Citadines.
- (v) Australand – a major diversified property group with activities in residential, commercial and industrial developments and investment properties across Australia. During the year, Australand has ceased to be a subsidiary and become an associate of the Group.
- (vi) Others – includes Corporate Office, Group Treasury, Surbana (Consultancy), StorHub, Financial Services, other businesses in Vietnam, Japan and Gulf Cooperation Council countries.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business units 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 *(continued)*
Operating Segments – 31 December 2013

	CapitaLand Singapore \$'000	CapitaLand China \$'000	CapitaMalls Asia \$'000	Ascott \$'000	Australand \$'000	Others \$'000	Elimination \$'000	Group \$'000
Revenue								
External revenue	1,018,977	898,509	527,701	412,633	1,010,457	109,210	–	3,977,487
Inter-segment revenue	5,821	498	267	150	–	414,996	(421,732)	–
Total revenue	1,024,798	899,007	527,968	412,783	1,010,457	524,206	(421,732)	3,977,487
Segmental results								
Company and subsidiaries	311,431	140,380	273,184	12,813	212,264	58,567	(257,996)	750,643
Associates	167,175	237,564	294,803	103,028	32,123	4,184	25,010	863,887
Joint ventures	(70)	9,743	175,787	159	(9,746)	7,608	–	183,481
Earnings before interest and taxation	478,536	387,687	743,774	116,000	234,641	70,359	(232,986)	1,798,011
Finance costs								(444,490)
Taxation								(168,908)
Profit for the year								1,184,613
Segment assets	6,211,735	8,967,877	11,346,866	3,664,850	923,151	11,647,602	(6,607,197)	36,154,884
Segment liabilities	2,071,817	2,568,844	4,240,558	1,398,851	–	6,563,871	–	16,843,941
Other segment items:								
Interest income	15,707	17,968	23,440	7,698	1,799	15,701	–	82,313
Depreciation and amortisation	(1,426)	(2,223)	(9,088)	(21,438)	(5,982)	(9,714)	–	(49,871)
Reversal of provision/ (Provision made) for foreseeable losses	10,879	(23,008)	–	–	(73,852)	(2,346)	–	(88,327)
Allowance for impairment losses for assets	(39)	(42,569)	(581)	(30,688)	(5,493)	(200,199)	191,961	(87,608)
Fair value gains on investment properties	34,155	31,985	91,989	497	16,252	1,527	–	176,405
Share-based expenses	(6,714)	(3,600)	(13,187)	(4,017)	(699)	(10,655)	–	(38,872)
(Losses)/Gains on disposal of investments	(15,728)	52,855	36,187	18,355	–	(118,729)	–	(27,060)
Associates	1,991,362	2,517,283	4,194,890	1,373,044	923,151	194,845	555,975	11,750,550
Joint ventures	64,364	401,588	1,973,024	3,261	–	83,115	–	2,525,352
Capital expenditure[#]	70,548	77,255	400,141	49,645	50,461	14,183	–	662,233

[#] Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

Notes to the Financial Statements

41 OPERATING SEGMENTS *(continued)* Operating Segments – 31 December 2012

	CapitaLand Singapore \$'000	CapitaLand China \$'000	CapitaMalls Asia \$'000	Ascott \$'000	Australand \$'000	Others \$'000	Elimination \$'000	Group \$'000
Revenue								
External revenue	944,269	432,913	351,346	404,793	1,131,656	36,386	–	3,301,363
Inter-segment revenue	6,723	999	2,306	306	–	284,182	(294,516)	–
Total revenue	950,992	433,912	353,652	405,099	1,131,656	320,568	(294,516)	3,301,363
Segmental results								
Company and subsidiaries	388,721	140,853	266,847	109,272	333,070	305,582	(361,695)	1,182,650
Associates	115,420	164,488	298,047	72,182	9,546	9,723	29,791	699,197
Joint ventures	8,316	20,770	111,273	55	14,701	(19,531)	–	135,584
Earnings before interest and taxation	512,457	326,111	676,167	181,509	357,317	295,774	(331,904)	2,017,431
Finance costs								(498,953)
Taxation								(201,907)
Profit for the year								1,316,571
Segment assets	5,808,482	7,481,903	10,774,145	3,414,986	5,085,365	12,084,151	(6,861,423)	37,787,609
Segment liabilities	1,656,543	2,160,622	4,144,328	1,178,245	2,167,144	7,036,943	–	18,343,825
Other segment items:								
Interest income	18,911	12,466	26,930	9,877	5,342	20,238	–	93,764
Depreciation and amortisation	(1,666)	(3,278)	(8,110)	(19,004)	(5,919)	(8,463)	–	(46,440)
Reversal of provision/ (Provision made) for foreseeable losses	16,000	(15,000)	–	–	–	(34,429)	–	(33,429)
Impairment losses for assets	3,504	(170)	(384)	(11,971)	–	(28,145)	17,195	(19,971)
Fair value (losses)/ gains on investment properties	(1,934)	6,950	84,830	(977)	66,477	(254)	–	155,092
Share-based expenses	(7,579)	(4,725)	(14,504)	(5,234)	(1,282)	(13,328)	–	(46,652)
Gains on disposal of investments	6,144	33,728	92,846	81,204	–	3,910	–	217,832
Associates	1,799,661	2,117,827	3,673,245	1,178,469	121,327	493,242	308,526	9,692,297
Joint ventures	164,860	325,806	1,977,658	3,401	254,795	92,465	–	2,818,985
Capital expenditure[#]	88,039	22,918	561,366	64,779	249,533	63,777	–	1,050,412

[#] Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

41 OPERATING SEGMENTS *(continued)*

Geographic Information

	Singapore \$'000	China ⁺ \$'000	Other Asia [#] \$'000	Australia \$'000	Europe and Others \$'000	Total \$'000
2013						
External revenue	1,396,718	1,070,435	222,902	1,065,689	221,743	3,977,487
Non-current assets[^]	7,160,647	9,387,566	1,958,770	1,113,004	1,141,083	20,761,070
Total assets	15,749,300	14,907,626	2,924,352	1,304,597	1,269,009	36,154,884
2012						
External revenue	1,169,706	587,933	139,896	1,182,289	221,539	3,301,363
Non-current assets[^]	7,497,499	8,049,872	2,179,149	3,685,159	794,713	22,206,392
Total assets	14,631,134	13,391,858	3,242,914	5,444,832	1,076,871	37,787,609

⁺ China includes Hong Kong.

[#] Other Asia includes Indonesia, Japan, Malaysia, Philippines, Thailand, Korea, India, Vietnam and Gulf Cooperation Council countries.

[^] Non-current assets comprised property, plant and equipment, intangible assets, investment properties, associates and joint ventures.

42 SUBSEQUENT EVENTS

- (a) On 22 January 2014, CLM Isle Investment Pte. Ltd. (CII), an indirect wholly-owned subsidiary of the Company, together with Iskandar Waterfront Sdn. Bhd. and Esta Investments Pte Ltd, entered into a joint venture in the proportionate shareholding of 51:40:9 respectively in Hallmark Connection Sdn Bhd (Hallmark). The joint venture will acquire and develop parcels of land in Danga Bay, located in Johor's Iskandar Malaysia.

The shareholders will contribute an aggregate of approximately \$404.0 million (MYR1.05 billion) in equity to Hallmark. CII's 51% share is approximately \$206.0 million (MYR535.5 million).

- (b) On 23 January 2014, JG Trustee Pte. Ltd. and JG2 Trustee Pte. Ltd., two indirectly owned subsidiaries of the Company, entered into sale and purchase agreements to sell all the office strata units in Westgate Tower to two unrelated parties. Westgate Tower is currently under construction and is expected to be completed by end 2014. Upon obtaining Temporary Occupation Permit for the office strata units, the Group is expected to recognise a gain of approximately \$90.0 million.

Notes to the Financial Statements

43 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2014, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations are set out below.

Applicable for the Group's 2014 financial statements

- Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, which clarifies the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The Group currently offsets intercompany receivables and payables due from/to the same counterparty if the Group has the legal right to set off the amounts when it is due and payable based on the contractual terms of the arrangement with the counterparty, and the Group intends to settle the amounts on a net basis.

The amendments will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. The Group does not expect any significant financial impact on its financial position from the adoption of amendment to FRS 32.

- FRS 110 *Consolidated Financial Statements*, which changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. FRS 110 introduces a single control model with a series of indicators to assess control. FRS 110 also adds additional context, explanation and application guidance based on the principle of control.

The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment as at 31 December 2013, the Group will be required under FRS 110 to consolidate CapitaCommercial Trust, CapitaMalls Malaysia Trust and Ascott Residence Trust.

This standard will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. Based on FY2013 financial information, the estimated effect of the application of FRS 110 is as follows:

	Group 2013 Increase/ (Decrease) \$'000
Revenue	544,003
Profit attributable to owners of the Company	(9,553)
Total assets	8,908,215
Total liabilities	3,764,375
Non-controlling interests	5,102,880
Equity attributable to owners of the Company	40,960

43 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED *(continued)*

- FRS 111 *Joint Arrangements*, which establishes the principles for classification and accounting of joint arrangements. The adoption of this standard would require the Group to re-assess and classify its joint arrangements as either joint operations or joint ventures based on its rights and obligations arising from the joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations.

As the Group is currently applying the equity method of accounting for its joint ventures, there will be no impact to the Group's profit or net assets when the Group adopts FRS 111 in 2014.

- FRS 112 *Disclosure of Interests in Other Entities*, which sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

As FRS 112 is primarily a disclosure standard, there will be no financial impact on the results and financial position of the Group and the Company upon adoption of this standard by the Group in 2014.

Economic Value Added Statements

	Note	2013 S\$ million	2012 S\$ million
Net Operating Profit Before Tax		306.2	683.7
Adjust for:			
Share of results of associates and joint ventures		1,047.4	834.8
Interest expense		456.3	513.4
Others		85.8	55.8
Adjusted Profit Before Interest and Tax		1,895.7	2,087.7
Cash operating taxes	1	(350.6)	(233.1)
Net Operating Profit After Tax (NOPAT)		1,545.1	1,854.6
Average capital employed	2	32,320.6	31,299.8
Weighted average cost of capital (%)	3	6.00	5.60
Capital Charge (CC)		1,939.2	1,752.8
Economic Value Added (EVA) [NOPAT – CC]		(394.1)	101.8
Non-controlling interests		14.8	(84.0)
Group EVA attributable to owners of the Company		(379.3)	17.8

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

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

Major Capital Components:	S\$ million
Borrowings	14,498.4
Equity	17,010.1
Others	812.1
Total	32,320.6

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

- Cost of Equity using Capital Asset Pricing Model with market risk premium at 6.00% (2012: 5.00%) per annum;
- Risk-free rate of 1.32% (2012: 1.67%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;
- Ungeared beta ranging from 0.62 to 0.97 (2012: 0.64 to 0.97) based on the risk categorisation of CapitaLand's strategic business units; and
- Cost of Debt rate at 2.89% (2012: 3.30%) per annum using 5-year Singapore Dollar Swap Offer rate plus 200 basis points (2012: 200 basis points).

Value Added Statements

	2013 S\$ million	2012 S\$ million
Value Added From:		
Revenue earned	3,977.5	3,301.4
Less: Bought in materials and services	(2,595.0)	(1,886.6)
Gross Value Added	1,382.5	1,414.8
Share of results of associates and joint ventures	1,047.4	834.8
Exchange losses (net)	(24.7)	(8.7)
Other operating income (net)	131.7	445.9
	1,154.4	1,272.0
Total Value Added	2,536.9	2,686.8
Distribution:		
To employees in wages, salaries and benefits	591.3	589.4
To government in taxes and levies	263.9	263.0
To providers of capital in:		
– Net interest on borrowings	438.4	462.5
– Dividends to shareholders	298.0	340.0
	1,591.6	1,654.9
Balance Retained in the Business:		
Depreciation and amortisation	49.9	46.5
Revenue reserves net of dividends to owners of the Company	551.8	590.3
Non-controlling interests	334.8	386.2
	936.5	1,023.0
Non-Production Costs/(Income):		
Allowance for doubtful receivables	8.8	22.9
Receipt of settlement of insurance claims	–	(14.0)
Total Distribution	2,536.9	2,686.8
Productivity Analysis:		
Value added per employee (S\$'000) #	185	194
Value added per dollar of employment cost (S\$)	2.34	2.40
Value added per dollar sales (S\$)	0.35	0.43

Based on average 2013 headcount of 7,470 (2012: 7,284).

Supplemental Information

1. 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:

	Group 2013 \$'000
Transactions with Temasek Holdings (Private) Limited and its associates:	
Sale of goods and services	16,361
Purchase of goods and services	336
Transaction with Sembcorp Industries Ltd and its associate:	
Purchase of goods and services	274
Transactions with Singapore Telecommunications Limited and its associate:	
Purchase of goods and services	829

2. USE OF PROCEEDS

The Company issued S\$650.0 million principal amount of convertible bonds due 2020 and S\$800.0 million principal amount of convertible bonds due 2023 in June 2013 and October 2013 respectively. As of December 2013, the Company has fully utilised the proceeds.

Shareholding Statistics

As at 28 February 2014

SHARE CAPITAL

Paid-up Capital	S\$6,347,933,498.56
Number of Issued and Paid-up Shares (including Treasury Shares)	4,271,664,437
Number and Percentage of Treasury Shares	19,465,215 or 0.46% ¹
Number of Issued and Paid-up Shares (excluding Treasury Shares)	4,252,199,222
Class of Shares	Ordinary Shares
Voting Rights	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

TWENTY LARGEST SHAREHOLDERS

As shown in the Register of Members and Depository Register

Name	No. of Shares	% ¹
1 Temasek Holdings (Private) Limited	1,680,704,140	39.53
2 Citibank Nominees Singapore Pte Ltd	563,115,903	13.24
3 DBS Nominees Pte Ltd	455,438,318	10.71
4 HSBC (Singapore) Nominees Pte Ltd	257,334,777	6.05
5 DBSN Services Pte Ltd	248,071,786	5.83
6 United Overseas Bank Nominees Pte Ltd	133,714,235	3.14
7 Raffles Nominees (Pte) Ltd	62,035,439	1.46
8 Bank of Singapore Nominees Pte Ltd	36,361,536	0.86
9 BNP Paribas Securities Services Singapore Branch	22,537,646	0.53
10 DB Nominees (S) Pte Ltd	18,619,177	0.44
11 Phillip Securities Pte Ltd	15,072,613	0.35
12 BNP Paribas Nominees Singapore Pte Ltd	13,816,009	0.32
13 OCBC Nominees Singapore Private Limited	13,516,417	0.32
14 Pei Hwa Foundation Limited	13,160,335	0.31
15 OCBC Securities Private Ltd	13,083,519	0.31
16 Lee Pineapple Company Pte Ltd	10,000,000	0.24
17 UOB Kay Hian Pte Ltd	8,491,328	0.20
18 DBS Vickers Securities (S) Pte Ltd	7,047,194	0.17
19 ABN AMRO Nominees Singapore Pte Ltd	6,560,261	0.15
20 Oversea Chinese Bank Nominees Pte Ltd	4,969,503	0.12
Total	3,583,650,136	84.28

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of shares	% ¹	No. of shares	% ¹
Temasek Holdings (Private) Limited	1,680,704,140	39.53	59,333,134 ²	1.40
BlackRock, Inc.	–	–	213,823,390 ³	5.03
The PNC Financial Services Group, Inc.	–	–	213,823,390 ³	5.03

SIZE OF HOLDINGS

Size of Shareholdings	No. of shareholders	%	No. of shares excluding treasury shares	% ¹
1 - 999	964	1.49	332,049	0.01
1,000 - 10,000	51,872	80.08	210,198,454	4.94
10,001 - 1,000,000	11,898	18.37	409,925,152	9.64
1,000,001 and above	43	0.06	3,631,743,567	85.41
Total	64,777	100.00	4,252,199,222	100.00

Approximately 53.99%¹ of the issued ordinary shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

Notes:

- Percentage is calculated based on the total number of 4,252,199,222 issued shares, excluding treasury shares.
- Temasek Holdings (Private) Limited is deemed to have an interest in 59,333,134 Shares in which its subsidiary and associated companies have or are deemed to have an interest.
- BlackRock, Inc. is deemed to have an interest in 213,823,390 Shares held through its various subsidiaries. The PNC Financial Services Group, Inc. is deemed to have an interest in the same Shares held by BlackRock, Inc. through its over 10% interest in BlackRock, Inc.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of CapitaLand Limited (the "Company") will be held at The Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Friday, 25 April 2014 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 2013 and the Auditors' Report thereon. (Ordinary Resolution 1)
2. To declare a first and final 1-tier dividend of S\$0.08 per share for the year ended 31 December 2013. (Ordinary Resolution 2)
3. To approve Directors' fees of S\$2,270,367 for the year ended 31 December 2013 comprising: (Ordinary Resolution 3)
 - (a) S\$1,714,366.80 to be paid in cash (2012: S\$1,474,641.30); and
 - (b) S\$556,000.20 to be paid in the form of share awards under the CapitaLand Restricted Share Plan 2010, with any residual balance to be paid in cash (2012: S\$557,417.70).
4. To re-appoint Mr John Powell Morschel, who is retiring under Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this AGM until the next AGM of the Company. (Ordinary Resolution 4)
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 James Koh Cher Siang (Ordinary Resolution 5(a))
 - (b) Mr Simon Claude Israel (Ordinary Resolution 5(b))
6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions as Ordinary Resolutions:

7. That pursuant to Article 101 of the Articles of Association of the Company, Dr Philip Nalliah Pillai be and is hereby appointed as a Director of the Company with effect from 25 April 2014. (Ordinary Resolution 7)
8. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to: (Ordinary Resolution 8)
 - (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into shares,

AS SPECIAL BUSINESS *(continued)*

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 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 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) in the capital of the Company 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) any new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of the Company or (ii) the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

Notice of Annual General Meeting

AS SPECIAL BUSINESS *(continued)*

9. That the Directors of the Company be and are hereby authorised to: (Ordinary Resolution 9)

(a) grant awards in accordance with the provisions of the CapitaLand Performance Share Plan 2010 (the "Performance Share Plan") and/or the CapitaLand Restricted Share Plan 2010 (the "Restricted Share Plan"); and

(b) allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted under the Performance Share Plan and/or the Restricted Share Plan,

provided that the aggregate number of new shares to be issued, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered pursuant to the Performance Share Plan, the Restricted Share Plan and all shares, options or awards granted under any other share schemes of the Company then in force, shall not exceed eight per cent. (8%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

BY ORDER OF THE BOARD

MICHELLE KOH

Company Secretary

Singapore

21 March 2014

Notes:

- I A member of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- II Where a member of the Company appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- III The Proxy Form must be lodged/deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 not later than 23 April 2014 at 10.00 a.m., being 48 hours before the time fixed for the AGM of the Company.

EXPLANATORY NOTES:

- 1 In relation to item 3 under the heading “As Ordinary Business”, the total compensation of the non-executive Directors for financial year 2013 comprises a combination of cash and shares. If approved, the aggregate amount of Directors’ fees of S\$2,270,367 will be paid as to S\$1,714,366.80 in cash, and S\$556,000.20 in the form of share awards under the CapitaLand Restricted Share Plan 2010 (RSP) with any residual balance to be paid in cash. Directors’ fees (comprising retainer and attendance fees) will only be paid as to about seventy per cent. (70%) in cash and about thirty per cent. (30%) in the form of share awards under RSP (save in the case of Mrs Arfat Pannir Selvam and Prof Kenneth Stuart Courtis who are retiring from the Board at the conclusion of the AGM and will receive all of their Directors’ fees in cash). The actual number of shares to be awarded will be based on the volume-weighted average price of a share of the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the AGM. The actual number of shares to be awarded will be rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. Such Directors’ fees will be paid upon approval by the shareholders at the AGM.
- 2 In relation to item 4 under the heading “As Ordinary Business”, Mr John Powell Morschel will, upon re-appointment, continue to serve as a Member of the Investment Committee and the Nominating Committee respectively. Mr Morschel is considered as an independent Director. Please refer to the “Board of Directors” section of the Company’s Annual Report 2013 for information on the current directorships in other listed companies and other principal commitments of Mr Morschel.
- 3 In relation to item 5 under the heading “As Ordinary Business”, Mrs Arfat Pannir Selvam and Prof Kenneth Stuart Courtis, respectively independent Directors, will retire by rotation pursuant to Article 95 of the Company’s Articles of Association at the AGM and are not seeking re-election. Their retirement from the Board will take effect upon the conclusion of the AGM. Mrs Selvam will, upon retirement, cease to be a Member of the Audit Committee, the Corporate Disclosure Committee and the Nominating Committee respectively. Prof Courtis will, upon retirement, cease to be a Member of the Finance and Budget Committee and the Investment Committee respectively.

In relation to items 5(a) and (b) under the heading “As Ordinary Business”, Mr James Koh Cher Siang will, upon re-election, continue to serve as Chairman of the Corporate Disclosure Committee and a Member of the Audit Committee. Mr Koh will, upon re-election, step down as Chairman and a Member of the Risk Committee and be appointed as a Member of the Investment Committee. Mr Simon Claude Israel will, upon re-election, continue to serve as a Member of the Investment Committee, the Executive Resource and Compensation Committee and the Nominating Committee respectively. Mr Koh and Mr Israel are considered as independent Directors. Please refer to the “Board of Directors” section of the Company’s Annual Report 2013 for information on the current directorships in other listed companies and other principal commitments of Mr Koh and Mr Israel respectively.

Tan Sri Amirsham Bin A Aziz, an independent Director, who is a Member of the Risk Committee, will be appointed as Chairman of the Risk Committee in replacement of Mr James Koh.

Notice of Annual General Meeting

EXPLANATORY NOTES: (continued)

- 4 In relation to item 7 under the heading “As Special Business”, it is proposed that Dr Philip Nalliah Pillai, 66, be appointed as a Director of the Company with effect from 25 April 2014. Dr Pillai served as a Judge of the Supreme Court of Singapore from June 2010 to 12 December 2012, after being appointed as Judicial Commissioner from October 2009. Prior to that, he was in legal practice for over 23 years as a partner and managing partner at Shook Lin & Bok, where he specialised in corporate, corporate finance and securities law. He was joint managing partner of Allen & Overy, Shook Lin & Bok JLV from 2000 to 2008. From 1971 to 1985, he taught law at the Law Faculty of National University of Singapore (NUS), holding the position of Associate Professor of Law and was a Senate Member of NUS from 1976 to 1985. Dr Pillai received an LLB (First Class) (Hons) from the University of Singapore in 1971 and an LLM and a Doctor of Juridical Sciences (SJD) from the Harvard Law School in 1973 and 1983, respectively. For his contributions to public service, Dr Pillai was awarded the Singapore Public Service Medal in 2003. He was a member of the Legal Service Commission from 2007 to 2013. Dr Pillai is currently a member of the board of Inland Revenue Authority of Singapore. His past directorships in listed companies include Singapore Press Holdings Ltd, Singapore Technologies Engineering Ltd and Hotung Investment Holdings Limited. Dr Pillai does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 10% shareholders (as defined in the Singapore Code of Corporate Governance 2012). The Board of Directors of the Company is pleased to recommend the appointment of Dr Pillai who brings with him a long and distinguished career in the legal sector which will complement the skill sets of the other Board members. If appointed, Dr Pillai will be considered an independent Director. Upon his appointment as a Director of the Company, Dr Pillai will also be appointed as a Member of the Audit Committee and the Corporate Disclosure Committee respectively.
- 5 Ordinary Resolution 8 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 securities, warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments from the date of the AGM until the date of the next AGM of the Company unless such authority is earlier revoked or varied by the shareholders of the Company at a general meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 8 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 8 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. The sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis is below the twenty per cent. (20%) sub-limit permitted by the Listing Manual of the SGX-ST. The Directors believe that the lower sub-limit of ten per cent. (10%) would sufficiently address the Company’s present need to maintain flexibility while taking into account shareholders’ concerns against dilution.
- 6 Ordinary Resolution 9 under the heading “As Special Business”, if passed, will empower the Directors to grant awards under the Performance Share Plan and the Restricted Share Plan, and to allot and issue shares pursuant to the vesting of such awards provided that the aggregate number of new shares to be issued, when aggregated with existing shares (including treasury shares and cash equivalents) delivered and/or to be delivered pursuant to the Performance Share Plan, the Restricted Share Plan and all shares, options or awards granted under any other share schemes of the Company then in force, does not exceed eight per cent. (8%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. Such eight per cent. (8%) limit will apply across the entire duration of the Performance Share Plan and the Restricted Share Plan. Nonetheless, the Directors currently do not intend, in any given financial year, to grant awards under the Performance Share Plan and the Restricted Share Plan which, collectively, would comprise more than one per cent. (1%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time (the “Yearly Limit”). Should the Yearly Limit not be fully utilised in any given financial year, the unutilised balance will be rolled forward and may be used by the Directors in subsequent years to make grants of awards under the Performance Share Plan and the Restricted Share Plan.

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 CapitaLand Limited shares, this Summary Report/Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- 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 Annual General Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, _____ (Name) _____ (NRIC/Passport/Company Regn. No.)

of _____ (Address)

being a member/members of CapitaLand Limited (the “Company”) hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or, failing whom, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at The Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617, on Friday, 25 April 2014 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/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 for the year ended 31 December 2013		
2	Declaration of a First and Final Dividend of S\$0.08 per share		
3	Approval of Directors' Fees of S\$2,270,367		
4	Re-appointment of Mr John Powell Morschel as Director		
5(a)	Re-election of Mr James Koh Cher Siang as Director		
5(b)	Re-election of Mr Simon Claude Israel as Director		
6	Re-appointment of KPMG LLP as Auditors		
	SPECIAL BUSINESS		
7	Appointment of Dr Philip Nalliah Pillai as Director		
8	Authority for Directors to issue shares and to make or grant instruments convertible into shares		
9	Authority for Directors to grant awards, and to allot and issue shares, pursuant to the CapitaLand Performance Share Plan 2010 and the CapitaLand Restricted Share Plan 2010		

* If you wish to exercise all your votes “For” or “Against”, please indicate with a “√” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2014

Total Number of Shares Held

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

1st fold (This flap for sealing)



BUSINESS REPLY SERVICE
PERMIT NO. 04910



CapitaLand Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

Postage will
be paid by
addressee.
For posting in
Singapore only.

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Notes to Proxy Form:

- 1 A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint not more than two proxies to attend and vote in his/her 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/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- 3 Completion and return of this Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
- 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 Proxy Form will be deemed to relate to all the shares held by the member.
- 5 The Proxy Form must be lodged/deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, no later than 23 April 2014 at 10.00 a.m., being 48 hours before the time fixed for the AGM.
- 6 The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7 Where the Proxy Form 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 Proxy Form, failing which the Proxy Form 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 AGM, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

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General

The Company shall be entitled to reject the Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register at least 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Contact Details

As at 28 February 2014

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Share Registrar

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Auditors

KPMG LLP

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Fax: +65 6225 4142
Engagement partner
since financial year ended
31 December 2010:
Leong Kok Keong

This Annual Report to Shareholders may contain forward-looking statements. Forward-looking statement is subject to inherent uncertainties and is based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-looking statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

All rights are reserved.

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