The Art of Building

CapitaLand Limited
Annual Report 2011

Strategic Focus on Core Markets

Concentrating Presence in Key Cities

6th Consecutive Year of More Than S$1 Billion Profit

"To maintain our leadership position in these turbulent times, it is imperative to stay focused yet nimble. With our continual confidence in the real estate markets of Singapore and China, we are deepening our geographical imprint in these core markets."

LIEW MUN LEONG
PRESIDENT & CEO
CAPITALAND GROUP

Contents

Corporate Profile

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

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

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

Credo

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

Mission

Our mission is to build a world-class company with international presence that

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

Vision

- **A world-class entrepreneurial, prosperous and lasting real estate company led and managed by people with core values respected by the business and social community.**
- **A leading real estate company in Asia, reputed for its innovative and quality real estate products and services.**
- **A company with a strong global network of long-term investors and blue-chip partners.**
- **A company which attracts, develops and retains a diversity of talents regardless of nationality, race or age.**
- **A company which consistently creates value for shareholders.**

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

6th Consecutive Year of Profit in Excess of S$1 Billion

Profit attributable to shareholders

S$1.06 billion

Earnings before Interest and Tax

S$2.09 billion

Return on Shareholders' Funds

7.3%

Return on Total Assets

5.9%

Group Managed Real Estate Assets

S$60.3 billion

Revenue Under Management

S$7.4 billion

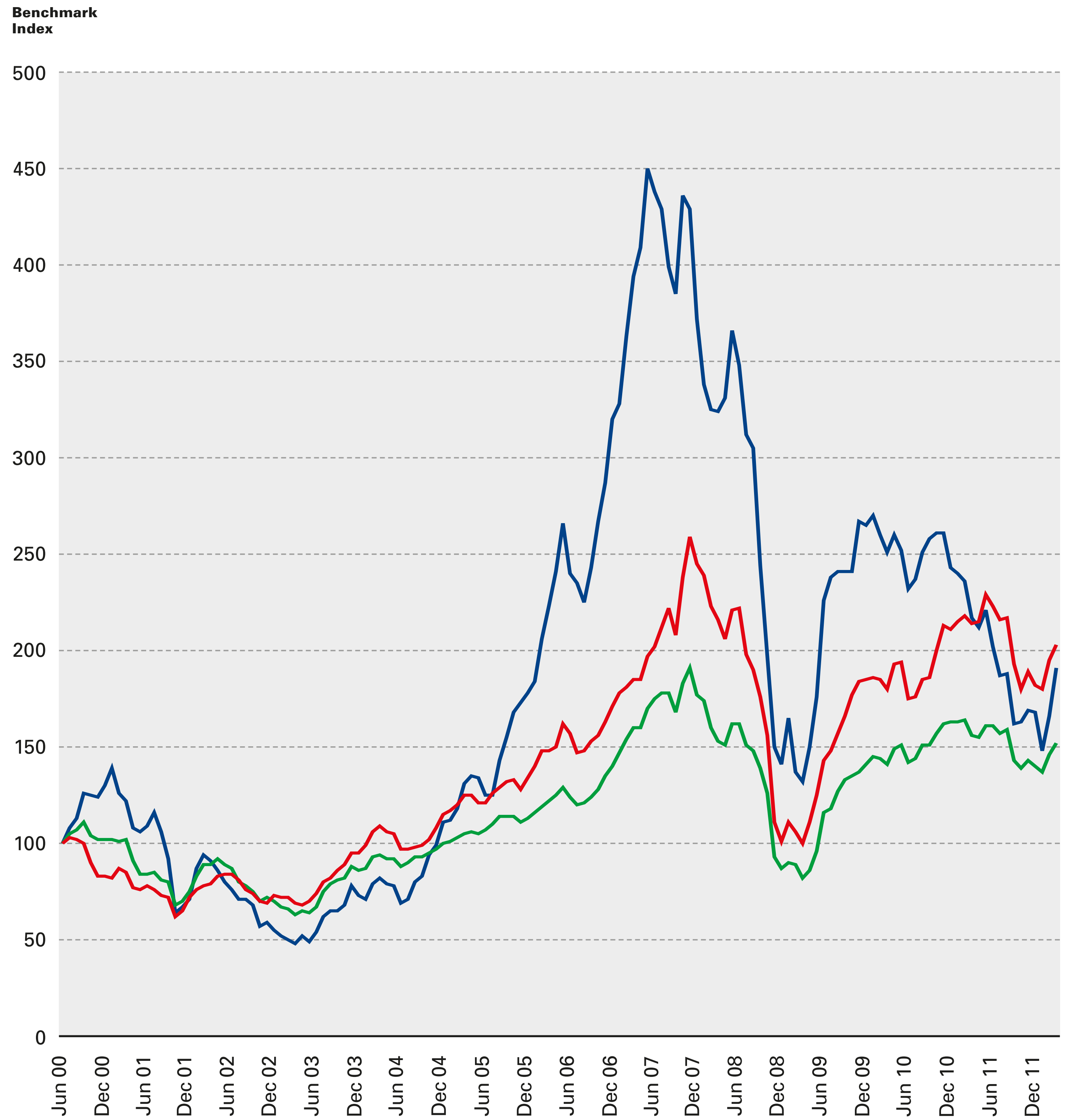
5-Year Financial Summary

		2007	2008	2009	2010 (Restated) [1]	2011
(A)	**INCOME STATEMENT (S$ million)**					
	Revenue by SBUs					
	CapitaLand Residential Singapore	548.7	400.2	673.8	1,284.9	774.1
	CapitaLand China Holdings	985.3	330.3	647.0	327.2	526.6
	CapitaLand Commercial [2]	165.7	227.9	144.9	142.9	96.7
	The Ascott Limited	459.5	441.8	393.7	407.4	377.5
	CapitaValue Homes [2]	–	–	–	0.1	80.3
	CapitaLand Financial	119.2	182.2	162.2	116.2	103.3
	CapitaMalls Asia	124.2	206.7	228.9	245.4	246.2
	Australand	1,406.7	984.3	732.5	879.8	836.4
	Others	(16.6)	(21.1)	(25.6)	(20.5)	(21.5)
	Total	3,792.7	2,752.3	2,957.4	3,383.4	3,019.6
	Earnings Before Interest and Tax (EBIT) by SBUs					
	CapitaLand Residential Singapore	308.6	175.0	371.7	514.0	327.4
	CapitaLand China Holdings	403.4	883.4	551.2	648.9	423.7
	CapitaLand Commercial [2]	1,876.7	395.6	(497.4)	250.2	189.6
	The Ascott Limited	337.2	132.2	31.4	173.0	148.4
	CapitaValue Homes [2]	–	–	–	(20.5)	(12.9)
	CapitaLand Financial	69.7	90.4	98.0	103.0	80.0
	CapitaMalls Asia	297.9	298.6	449.1	603.4	597.0
	Australand	470.0	169.6	(240.8)	311.9	324.2
	Others	60.5	68.7	785.8	0.6	9.2
	Total	3,824.0	2,213.5	1,549.0	2,584.5	2,086.6
	Net Profit attributable to Shareholders	2,759.3	1,260.1	1,053.0	1,425.7	1,057.3
(B)	**BALANCE SHEETS (S$ million)**					
	Investment Properties	6,777.4	4,848.9	5,058.5	4,732.9	7,074.6
	Development Properties for Sale and Stocks	3,540.8	3,347.2	3,590.2	5,667.1	6,905.1
	Associates and Joint Ventures	6,450.7	7,864.6	8,684.2	10,048.8	10,685.0
	Cash and Cash Equivalents	4,356.0	4,228.4	8,729.7	7,190.1	6,264.5
	Other Assets	4,716.4	4,794.5	4,103.4	4,248.2	4,390.2
	Total Assets	25,841.3	25,083.6	30,166.0	31,887.1	35,319.4
	Equity attributable to Owners of the Company	9,940.9	10,681.7	13,408.3	14,031.9	14,901.5
	Total Borrowings	9,916.1	9,829.3	10,312.6	10,358.0	12,190.6
	Non-controlling Interests and Other Liabilities	5,984.3	4,572.6	6,445.1	7,497.2	8,227.3
	Total Equities & Liabilities	25,841.3	25,083.6	30,166.0	31,887.1	35,319.4
(C)	**FINANCIAL RATIOS**					
	Earnings per share (cents)	98.6	37.0	26.2	33.5	24.8
	Net Tangible Assets per share (S$)	3.53	3.57	3.03	3.18	3.40
	Return on Shareholders' Funds (%)	31.9	12.2	8.7	10.5	7.3
	Return on Total Assets (%)	15.7	7.9	5.5	7.6	5.9
	Dividends					
	Ordinary Dividend per share (cents)	8.0	5.5	5.5	6.0	6.0
	Special Dividend per share (cents)	7.0	1.5	5.0	–	2.0
	Total Dividend per share (cents)	15.0	7.0	10.5	6.0	8.0
	Dividend cover (times)	6.5	4.2	2.4	5.6	3.1
	Debt Equity Ratio (net of cash) (times)	0.47	0.47	0.09	0.18	0.31
	Interest Cover (times)	13.64	5.50	4.54	7.63	5.72

[1] *Revenue recognition on development projects was revised following the adoption of INT FRS 115 Agreements for the Construction of Real Estate. As required by INT FRS 115, the 2010 results were restated.*

[2] *With effect from 1 January 2011, the residential business in Vietnam is reported under CapitaValue Homes and no longer under CapitaLand Commercial. The prior year's results were restated to align with the current year's presentation.*

Share Price Performance



- **CapitaLand Share Price**
- **MSCI AC Asia Pacifix ex-Japan Industrials Index**
- **Straits Times Index**

STRENGTHENING OUR PRESENCE IN SINGAPORE

Sky Habitat designed by star architect Moshe Safdie

Pipeline of 2,500 residential units

SKY HABITAT

20 shopping malls

Selective acquisitions to extend market leadership

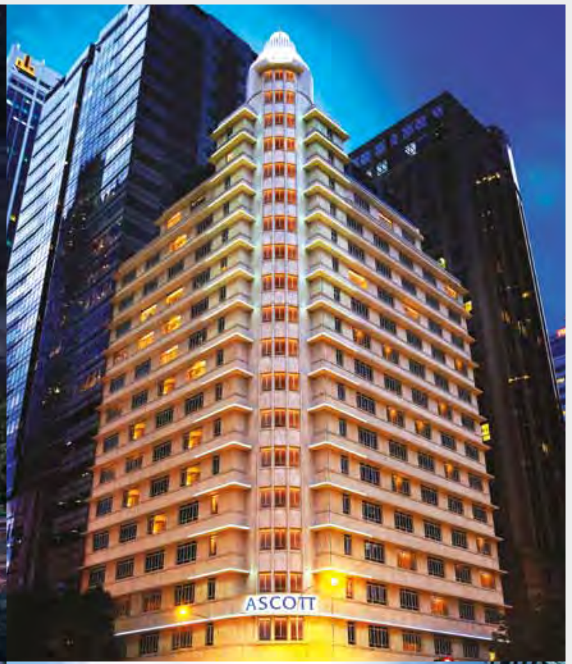
JCUBE

WESTGATE

Leverage development capabilities in mixed use sector to add to portfolio of 6 properties

Expand serviced residence portfolio to 1,500 apartment units by 2015

ASCOTT RAFFLES PLACE SINGAPORE



CAPITAL TOWER

Replenish Grade A office portfolio

CONCENTRATING OUR PRESENCE IN CHINA

Grow beyond portfolio of 8 Raffles City developments

Pipeline of approximately 5,000 value homes

Grow serviced residence portfolio to 12,000 apartment units by 2015

RAFFLES CITY HANGZHOU

LAKESIDE
WUHAN

ASCOTT RAFFLES CITY BEIJING

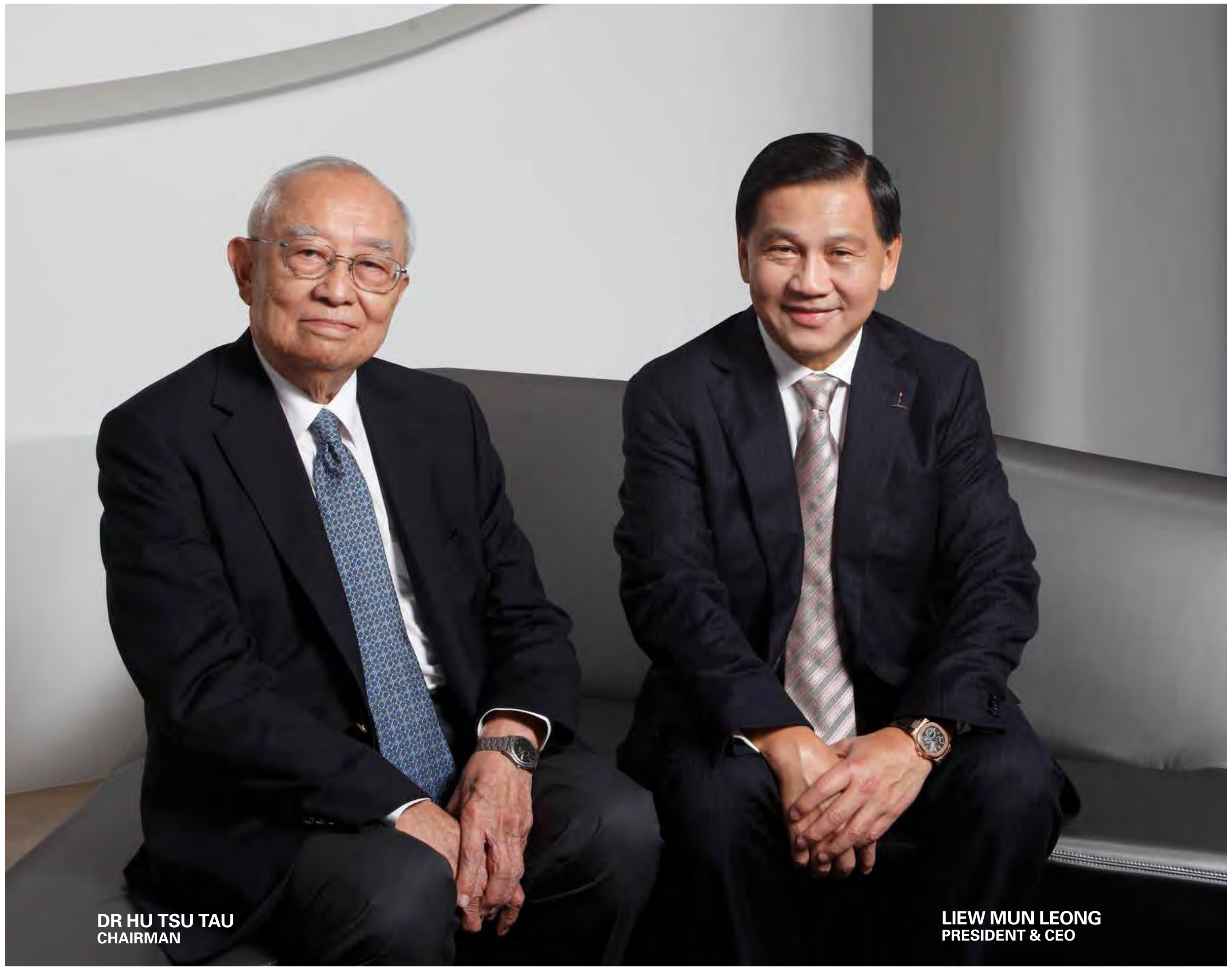
THE PARAGON
SHANGHAI

SUZHOU INTEGRATED DEVELOPMENT

Pipeline of more than 21,000 residential units

Grow portfolio of 56 shopping malls and ramp up operational malls

Letter to Shareholders



DEAR SHAREHOLDERS,

For the sixth consecutive year, the Group managed to achieve an annual net profit in excess of S$1 billion. This was despite a challenging 12 months ended 31 December 2011. Looking back, it was an exciting year for CapitaLand. Despite the soft global economic environment brought about by the sovereign debt crisis in the eurozone and low economic growth in the United States, the Group recorded a net profit of S$1.06 billion after tax and minority interests (PATMI).

S$1.06b
The Group recorded a net profit of S$1.06 billion after tax and minority interests (PATMI)

Against this backdrop, the Group made investment commitments related to projects with a total underlying gross development value of about S$11 billion. These new acquisitions are predominantly in Asia in accordance with our strategy, as we continue to build our business for profitable long-term growth.

The global economic outlook has turned more cautious at the start of 2012. The growth forecast for the global economy in 2012 has been slashed by both the International Monetary Fund and World Bank to 3.3% and 2.5% respectively, threatened by intensifying strains in the eurozone. The weak growth in United States and Japan will also be a drag on global growth prospects.

CapitaLand has entered 2012 in a sound financial position, with a strong cash position of S$6.3 billion and a healthy net debt equity ratio of 0.31. This is due to a disciplined yet aggressive investment approach tempered with a focus on successful capital recycling.

S$6.3b
CapitaLand entered 2012 in a sound financial position, with a strong cash position of S$6.3 billion and a healthy net debt equity ratio of 0.31

SIXTH CONSECUTIVE YEAR OF NET PROFIT IN EXCESS OF S$1 BILLION

For financial year 2011, CapitaLand registered a PATMI of S$1.06 billion, representing the sixth consecutive year in which CapitaLand posted PATMI in excess of S$1 billion. The comparison with financial year 2010's restated profitability, which was revised upwards by 12% to S$1.43 billion, was affected by the adoption of the INT FRS 115 accounting policy from 1 January 2011. This new accounting standard requires revenue for real estate under construction for overseas projects and local projects that offer the deferred payment scheme to be recognised on completion rather than on a progressive percentage basis.

The financial performance in 2011 was commendable given the tough operating environment. During the year, the global economic prospects in the eurozone deteriorated and the authorities in Singapore and China implemented numerous rounds of cooling measures to rein in residential property prices in both countries. The good performance achieved in 2011 was the result of healthy contributions from our diverse businesses across different property sectors and geographies. Overseas contribution accounted for 58% of the Group's earnings before interest and tax (EBIT) of S$2.09 billion, lifted by higher development profits and divestment gains from China, and stronger contribution from fair value gains in investment properties and serviced residence operations in Australia. Our core markets of Singapore, China and Australia accounted for more than 97% of the Group's EBIT. The Group will continue to focus on the successes of these core markets, particularly Singapore and China.

Our core markets of Singapore, China and Australia accounted for more than 97% of the Group's EBIT

Strong profitability and prudent capital management have ensured that CapitaLand's balance sheet remains robust to ride out market volatility in 2012. Group-wide refinancing needs for 2012 have largely been met, with CapitaLand gaining accessibility to all available funding platforms such as banks, capital markets, real estate investment trusts (REITs) and private equity funds. The Group has maintained excellent financial flexibility, armed with a healthy net debt equity ratio of 0.31 and cash liquidity of S$6.3 billion.

Letter to Shareholders

Our net tangible assets (NTA) per share increased 6.9% year-on-year to S$3.40 at the end of 2011 from S$3.18 on a restated basis at the end of 2010. With the latest financial performance, the Board has recommended a final ordinary dividend of 6 cents and a special dividend of 2 cents per share. Total dividend would increase 33% from financial year 2010. The payout demonstrates the Group's track record of generating attractive total returns to shareholders and our commitment to achieve an optimal capital structure bearing in mind the committed and potential investment opportunities we have.

We thank you for your unwavering support in 2011. Looking ahead, Asia will continue to lead world economic growth in 2012 and form an integral part of CapitaLand's business strategy.

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

CapitaLand's three strategic core markets are Singapore, China and Australia

STRATEGIC FOCUS ON CORE MARKETS

CapitaLand will continue with its business approach of focus, balance and scale to build on the company's strong fundamentals and enhance shareholder value. Moving forward, CapitaLand has identified Singapore, China and Australia as its three strategic core markets; Europe (for serviced residence business only), Malaysia and Vietnam as secondary markets; and Japan and India as opportunistic markets.

These three core markets of Singapore, China and Australia accounted for approximately 90% of the Group's total asset allocation, while contributing 97% of EBIT in financial year 2011. Among these core markets, Singapore and China accounted for 72% of overall Group asset exposure and approximately 81% of the Group's EBIT. The Group takes pride in its core development skills, operational, capital raising and management competencies spanning the entire real estate value chain in Singapore, China and Australia.

S$877m
Singapore is CapitaLand's most profitable core market, with EBIT contribution of S$877 million

Singapore

As at end 2011, CapitaLand's Singapore business accounted for S$10.9 billion or 34% of the Group's total assets. This diversified portfolio spans across shopping malls (40%), homes (28%), offices and mixed use development (20%), serviced residences (6%), financial services (1%), consultancy services via Surbana Corporation (2%) and others (3%). Singapore is CapitaLand's most profitable core market, with EBIT contribution of S$877 million.

At the end of 2011, our Singapore shopping mall portfolio comprised 20 malls valued at S$14.5 billion. Of these 20 malls, 16 are income generating while four are under various stages of development or enhancement initiatives. CapitaMalls Asia (CMA), CapitaLand's integrated shopping mall business, had an active year in Singapore in 2011. Apart from the ongoing asset enhancement initiatives (AEIs) conducted across the portfolio, the Group made two acquisitions – Iluma in Bugis and the Westgate site in Jurong Gateway.

ILUMA
SINGAPORE

PHOTO CREDIT: THOMAS PHOON KONG WAI (SINGAPORE)

In February 2011, CapitaMall Trust (CMT) acquired Iluma, an operational shopping mall located at Victoria Street, and connected by an overhead bridge to the popular Bugis Junction, one of CMT's existing properties, for S$295 million. The integration of Iluma and Bugis Junction will create a seamless shopping experience with a combined shopping destination of net lettable area of more than 606,000 square feet, about the size of ION Orchard. AEI at Iluma commenced in November 2011, with expected completion in June 2012.

Operationally, our shopping malls in Singapore registered healthy annual tenants' sales and shopper traffic growth of 5.5% and 2.2% respectively

Operationally, our shopping malls in Singapore registered healthy annual tenants' sales and shopper traffic growth of 5.5% and 2.2% respectively. The mall portfolio in Singapore is expected to receive a lift in earnings in 2012 when JCube and the AEIs at The Atrium@Orchard, Iluma and Clarke Quay are gradually completed.

In Singapore, the Seller's Stamp Duty (SSD) and Additional Buyer's Stamp Duty (ABSD) imposed by the government in January and December 2011 respectively, brought about a significant decline of residential sales volume in the secondary market, and more recently, short-term uncertainty as potential buyers adopt a "wait-and-see" attitude. However there is ample liquidity in the market, and given the favourable low interest rate environment, a significant correction appears unlikely.

Letter to Shareholders

The Group sold 844 homes in 2011, up 6% from the previous year

Our Singapore residential business exceeded expectations despite being confronted with repeated government measures to curb speculative home purchasing. The Group sold 844 homes in 2011, up 6% from the previous year. Total sales value generated was S$1.35 billion. In November 2011, CapitaLand launched Bedok Residences in one of the most popular mature residential estates in Singapore amidst market uncertainty. Boosted by its unique and attractive features, Bedok Residences received overwhelming response and sold more than 81% of the available units at an average selling price of S$1,350 per square foot. The shopping mall component of the project, which has direct access to both the MRT and bus interchange, is scheduled to open by 2014.

In 2012, CapitaLand plans to progressively release new phases at The Interlace and d'Leedon, and launch Sky Habitat, the new 509-unit condominium project in Bishan Central. Designed by star architect, Moshe Safdie, the residential towers of Sky Habitat will be linked by three sky bridges offering spectacular views. The project is within walking distance to Bishan transportation hub and Junction 8 shopping mall.

Of the residential portfolio, CapitaLand has a low level of completed unsold stock. Majority of the units at Latitude, The Seafront on Meyer and The Orchard Residences have been sold. As at end 2011, CapitaLand has a pipeline of about 2,500 units and is confident of releasing 800 to 1,000 units per year over the next two to three years, subject to market conditions.

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CapitaLand's Singapore commercial and mixed use business embarked on two major developments in 2011 after a year of active capital recycling in 2010. The former Market Street Car Park, now renamed CapitaGreen, will be jointly redeveloped by CapitaLand, CapitaCommercial Trust (CCT) and Mitsubishi Estate Asia (MEA) into a new Grade A office tower at an estimated cost of S$1.4 billion. The project is designed by internationally acclaimed architect Toyo Ito, and is set to be the "greenest" 40-storey building in the CBD given its façade's 55% green ratio. In fact, CapitaGreen is designed to achieve the Building and Construction Authority of Singapore (BCA) Green Mark Platinum award. Construction of the 887,000-square-feet building has commenced and is expected to complete in 2014.

In June 2011, CapitaLand, CMA and CMT were awarded the tender by the Urban Redevelopment Authority (URA) at S$969 million to develop an integrated shopping mall and office tower at Jurong Gateway. Named Westgate, it will be a new landmark in Jurong Gateway, continuing the transformation of the Jurong Lake District into Singapore's largest regional centre. In January 2012, groundbreaking for the 741,000-square-feet development took place in record time, a mere seven months after we were awarded the tender. The shopping mall, also named Westgate, is earmarked for completion by Christmas 2013, while the office tower, named Westgate Tower, will be ready for occupation in late 2014.

S$6b
CapitaLand's 3 million square feet of stable income generating commercial and mixed use portfolio valued at S$6 billion, is held under CCT

These two mega developments aside, CapitaLand's 3 million square feet of stable income generating commercial and mixed use portfolio valued at S$6 billion, is held under CCT. Singapore office market rents eased marginally towards the end of 2011 after a robust recovery that started in the middle of 2010. The office outlook is cautious in the short-term due to the slower economic growth. However both Westgate Tower and CapitaGreen are well positioned to capitalise on the potential uptrend in office rental upon their completion as there is limited new office supply completing in 2014.

Ascott's Singapore serviced residence operations performed well in 2011, driven by strong tourist and business arrivals. Revenue Per Available Unit (RevPAU) of our Singapore portfolio which rose 18% year-on-year, exceeded the hospitality industry's Revenue Per Available Room (RevPAR) growth of 15% in the same period. The Group has been successful in capturing the upscale segment of the industry, which saw a 16% year-on-year growth in RevPAR.

RevPAU of Ascott Singapore portfolio which rose 18% year-on-year, exceeded the hospitality industry's RevPAR growth of 15% in the same period

Letter to Shareholders

S$813m
China is also CapitaLand's second most profitable geography after Singapore, with EBIT contribution of S$813 million

Residential projects sited in Greater Shanghai (inclusive of Kunshan), Beijing and Chengdu such as The Metropolis, The Pinnacle, Beaufort and The Loft achieved sales of 75% to 100% of units launched to-date

In 2011, Ascott Residence Trust (Ascott Reit) was granted Planning Permission by URA for the redevelopment of Somerset Grand Cairnhill Singapore into an integrated hotel and residential development. The planning permission for the redevelopment was granted with various terms and conditions including a requirement for the redevelopment site with a maximum allowable gross floor area of 43,300 square metre to comprise a minimum of 40% hotel and related use and 60% residential use. The redevelopment options are still under evaluation and at this stage there is no certainty of any proposed redevelopment materialising. This is part of the Group's constant review of the serviced residence portfolio for potential enhancements to optimise the value of its assets.

The Group's Singapore consultancy services business, conducted through Surbana, maintained its leadership in the Housing and Development Board (HDB) market while making inroads into other sectors. Surbana managed to secure new consultancy projects such as Singapore University of Technology and Design and completed the Punggol Waterway and Aquatic Science Centre during the year.

China

As at end 2011, China is CapitaLand's largest market in terms of assets, accounting for S$12.0 billion or about 38% of the Group's overall balance sheet. China is also CapitaLand's second most profitable geography after Singapore, with EBIT contribution of S$813 million. CapitaLand's assets in China are well diversified across the following sectors: residential (38%), shopping mall (30%), mixed use development (22%), serviced residence (7%), township cum consultancy services (via Surbana) and others (3%).

In China, the Home Purchase Restrictions imposed by the Chinese government to rein in asset inflation are beginning to have an effect on lowering residential sale prices and activities. Developers' inventories of unsold properties at the end of 2011 were 26% higher than a year ago, while new home sales slowed significantly in the second half of 2011, up 3.9%, against a 12.1% rise in the first half.

Our residential business in China performed reasonably well, managing to sell approximately 1,500 residential units of 3,300 units launched and generated sales value of RMB3.1 billion in 2011. Of the completed units, only about 500 units remained unsold. Projects sited in Greater Shanghai (inclusive of Kunshan), Beijing and Chengdu such as The Metropolis, The Pinnacle, Beaufort and The Loft achieved sales of 75% to 100% of units launched to-date. The Group also managed to secure a prime 32,040-square-metre residential development plot in Hangzhou with the potential to yield gross floor area of 80,105 square metre for RMB1,114 million to replenish the pipeline for future growth.

Through the Orient Overseas Developments Limited portfolio, CapitaLand has demonstrated its ability to execute timely market launches and swift commencement of construction activities. Of the three residential projects located near Greater Shanghai, the average transaction prices achieved were above the Group's internal underwritten sale price assumptions.

LAKESIDE
WUHAN, CHINA

S$360m
CapitaLand acquired a strategic 40% stake in Surbana from Temasek Holdings for S$360 million

Our China malls continued to perform well in 2011, registering net property income (NPI) growth of 20.7% compared with the previous year

Our value homes segment was similarly active in 2011, securing two development sites in Guangzhou and Shanghai. These two sites will add over 2,400 homes, bringing the total development pipeline to approximately 5,000 value homes with gross floor area in excess of 500,000 square metres. Construction activities have commenced at our Lakeside project in Wuhan.

This mass market value housing business was given a boost during the year when CapitaLand acquired a strategic 40% stake in Surbana from Temasek Holdings for S$360 million. Surbana is a well established real estate consultant and township developer with a global footprint, and is a leading township developer in China with projects in Shenyang, Xi'an, Chengdu and Wuxi. The purchase is part of CapitaLand's objective to complement and accelerate the growth of its value housing business by leveraging on Surbana's expertise, particularly in large scale mass market residential developments. Surbana will also add significant technical expertise to CapitaLand through its consultancy business.

CapitaLand's integrated shopping mall business, CMA, capitalised on its financial strength as well as operational competency to acquire and open new malls. We also improved the yields of our operating malls to further seal our position as the leading shopping mall developer, owner and manager in China. Our China malls continued to perform well in 2011, registering net property income (NPI) growth of 20.7% compared with the previous year. The average occupancy of our China malls portfolio with at least two years of operating history is 97.4%. In 2011, these malls generated gross yield and NPI yield on cost of 11.8% and 6.8% respectively.

Letter to Shareholders

S$12b
The current eight Raffles City projects in China have an aggregate portfolio value of S$12 billion and boast a total floor area of over 2.8 million square metres of prime commercial space

Compared to 2010, tenants' sales and shopper traffic in our China malls experienced healthy growth rates of 13.2% and 7.5% respectively. Three malls were opened in China in 2011 – Minhang Plaza and Hongkou Plaza in Shanghai, and CapitaMall Crystal in Beijing. As at end 2011, we owned and managed 42 operating malls, with another 14 under development in China. With an extensive presence in China, CMA is well positioned to tap into the strong consumption growth trend in the second largest economy globally.

In 2011, CMA made a significant foray into Suzhou with the signing of an agreement with Suzhou Industrial Park Jinji Lake Urban Development Co., Ltd (SIPJUD) to develop and own a shopping mall and two office towers on a prime site in Suzhou. This is our maiden project and the largest shopping mall in the city. The mall is located at the heart of the western Central Business District (CBD) of Suzhou Industrial Park, next to the renowned Jinji Lake and near the traditional city centre. With a lack of quality malls within the Jinji Lake vicinity, this latest shopping mall is set to be the focal point of retail activities upon completion.

CapitaLand extended its highly successful Raffles City footprint to Chongqing in 2011, making it the eighth such mixed use development in China. Following a successful tender in November 2011, CapitaLand, together with CMA and Singbridge Holdings (a unit of Temasek) will jointly develop the iconic Chao Tian Men site, located at the confluence of Yangtze River and Jialing River in Chongqing, into a landmark mixed use development including a shopping mall and eight towers for residential, office, serviced residence and hotel use. The project, designed by star architect Moshe Safdie, is slated for completion in phases from 2017 and beyond.

The current eight Raffles City projects in China have an aggregate portfolio value of S$12 billion and boast a total floor area of over 2.8 million square metres of prime commercial space. The eight Raffles City mixed use complexes span across Beijing, Chengdu, Ningbo, Hangzhou, Shenzhen and Chongqing, with two in Shanghai.

SUZHOU INTEGRATED DEVELOPMENT
CHINA

Of the eight Raffles City projects, two are in operation, while another two are slated to commence operations in the second half of 2012. The remaining four are in various stages of development. The current two operational Raffles City developments in Shanghai and Beijing are performing exceptionally well, with occupancy exceeding 95%. Raffles City Shanghai has witnessed a 17% compounded average growth rate in net property income since its opening in 2004. Raffles City Beijing, which completed its second year of operations, also chalked up a 76% year-on-year growth in net property income in 2011.

Raffles City Chengdu and Raffles City Ningbo are scheduled to commence operations by the second half of 2012. Pre-leasing activities for the retail and office components are in full swing and pre-committed occupancy for both assets is encouraging.

Raffles City Chengdu and Raffles City Ningbo are scheduled to commence operations by the second half of 2012

Our China serviced residence portfolio performed well with RevPAU growth of 9% year-on-year in local currency terms. Ascott further cemented our market leadership position in China by expanding the serviced residence portfolio by 1,135 apartment units to over 7,500 apartment units as at end 2011.

ASCOTT FINANCIAL CITY CHENGDU
CHINA

Letter to Shareholders

A$135m
Australand successfully achieved a 6% increase in operating profit to A$135 million in 2011

A$300m
Commercial & Industrial division successfully completed 13 projects with a combined end value of approximately A$300 million

The Group clinched seven new management contracts across Beijing, Shanghai, Chengdu, Foshan, Hong Kong, Macau and Wuhan and opened two properties in Shenzhen and Xi'an. We will be adding our premier brand – Ascott The Residence, to three new properties in Foshan, Chengdu and Macau. Ascott also successfully recycled more than S$270 million in divestment proceeds from the sale of Ascott Beijing and New Minzhong Leyuan Mall in Wuhan into an increased stake of 36.1% in Ascott China Fund (ACF) and CapitaRetail China Trust respectively, and acquired 20% interest each in The Paragon and Hengshan Road development projects in Shanghai. In 2011, the US$500 million ACF fully deployed its committed capital and is set to reap returns from its investments in the coming years.

Australia

In Australia, CapitaLand's 59.3% owned subsidiary Australand, successfully achieved a 6% increase in operating profit to A$135 million (S$176 million) in 2011. The full year operating result demonstrates the resilience of the Group's high quality investment portfolio as well as increased earnings from development activities.

The Investment property portfolio, contributing 68% of Australand's earnings, continued its track record of growth in 2011 with occupancy at 99.3%, while the Residential division delivered 2,536 lot sales during the same period, representing a 15% increase over 2010. The Australian residential market continues to be underpinned by population growth and demand for affordable products. Australand's residential division remains well positioned with over 21,000 lots under management in its development pipeline at an estimated end value of A$8.1 billion (S$10.5 billion).

The Commercial & Industrial division successfully completed 13 projects with a combined end value of approximately A$300 million (S$392 million).

Boosted by Australand's healthy pipeline of residential, office and industrial projects and the expected growth in investment earnings, the Group continues to be optimistic about the outlook.

BOTANICA
SYDNEY, AUSTRALIA

Other Markets

Outside the core markets of Singapore, China and Australia, CapitaLand maintains a relatively large and stable operation in the three secondary markets of Malaysia, Vietnam and Europe. These three secondary markets account for 6% of the Group's total assets and present potential for further growth.

Malaysia, Vietnam and Europe account for 6% of the Group's total assets and present potential for further growth

Aside from the serviced residence business in Malaysia, the Group has five operational shopping malls, four of which are held under CapitaMalls Malaysia Trust (CMMT). Following the acquisition of Gurney Plaza Extension in March 2011 and East Coast Mall in Kuantan in November 2011, CMMT's income and geographical diversifications will be further enhanced.

Vietnam presents a value proposition for CapitaLand given its young population, rising income levels and rapid urbanisation trend. While the Group has been a leading serviced residence owner cum operator in Vietnam, it also envisages potential to offer affordable to mid end homes at competitive price points to the local residents. Currently, CapitaLand has six residential projects under various stages of development across Ho Chi Minh City and Hanoi.

In Europe, Ascott has over 5,100 apartment units in 46 serviced residences and will continue to seek suitable opportunities to strengthen its presence.

INVESTMENT PHILOSOPHY – CONCENTRATING PRESENCE

CapitaLand's various investments in Singapore and China in 2011 have laid the foundation for our future growth. The Group will continue to focus on its core markets of Singapore and China. In particular, the Group is looking to concentrate its real estate presence in key Chinese cities.

The company is confident of the long-term prospects of the property market in Singapore and China, and will devote the bulk of its resources and efforts when deploying new investment capital in the two markets going forward.

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While the current credit crunch faced by some real estate developers could potentially present the Group with new investment opportunities via asset sale or mergers and acquisitions, CapitaLand will adopt a disciplined strategy when evaluating them. Capital allocation to new investments will be balanced between development activities and steady income yielding assets within the residential, shopping mall, commercial and mixed use segments.

Singapore

The success of Singapore as a metropolis for work (commercial offices and integrated complexes), rest (residential homes and service residences) and play (shopping malls) has strengthened the investment appeal of the island state.

CapitaLand plans to leverage on its development capabilities in the mixed use segment when seeking new acquisitions. The Group's competitive advantage lies in our in-house development and operational expertise spread over different property segments, enabling CapitaLand to capitalise on such investment opportunities in mixed use projects effectively. Our experience in mixed use projects dates back to 1986 when we only had Raffles City Singapore, to recent landmark developments such as Wilkie Edge, ION Orchard and The Orchard Residences, Bedok Residences and the shopping mall below, The Star and Westgate.

Letter to Shareholders

CapitaLand will boost its residential pipeline to fulfill its ambition to be one of the top three residential developers in Singapore by market share. Our robust financial position and ability to bring in joint venture partners will enable the Group to explore larger residential developments requiring significant capital outlay. The Group will be closely evaluating well located sites under the Government Land Sale (GLS) programme as well as private collective sales.

CapitaLand's strategic reconstitution of its office portfolio where Grade B assets were divested and proceeds recycled into Grade A developments such as CapitaGreen and Westgate Tower, enhances the portfolio value as Grade A developments tend to be more resilient under challenging market conditions. The ongoing enhancement of Six Battery Road and the redevelopment of CapitaGreen will offer CapitaLand a greater presence in the CBD with buildings that will meet the highest demands of its tenants. The Group will be seeking to replenish its Grade A office portfolio with development sites or completed buildings with the potential to be upgraded or enhanced into quality Grade A assets in central CBD or other good locations. Where appropriate, CapitaLand will jointly develop or co-invest with other capital partners or our listed REIT CCT.

As the largest shopping mall owner in Singapore, CMA enjoys the benefits of economies of scale and strong presence across the island

As the largest shopping mall owner and manager in Singapore, CMA enjoys the benefits of economies of scale and strong presence across the island. CMA's continued efforts to reach out to tenants through programmes such as Biz+ seminars and retailers' forums add value to tenants. Retailers' forums, for example, provide tenants with additional opportunities to meet new investors and business partners, including franchisees and potential employees, and highlight CMA's competitive advantage in helping them expand to our malls around the region for mutual growth. The completion of new malls coupled with strong execution of AEIs on our existing malls will form the backbone of CMA's drive to improve the profitability of our shopping mall portfolio.

Ascott will continue to expand and enhance its serviced residence portfolio through new investments, AEIs as well as pursue new management contracts. At the same time, it will strengthen its global operating platform and improve its service standards to achieve higher operational yields.

CapitaLand will continue to grow its existing REITs and private equity funds under management through accretive acquisitions and asset enhancements. It will also explore new real estate structured financial products and property funds.

The Group's business model of capital recycling and prudent capital management will provide us with a high level of financial flexibility.

China

China has already established itself as CapitaLand's largest investment destination given the market's depth and breadth. With rapid urbanisation, growing disposable incomes and limited investment options, China's property market continues to remain attractive. The government's cooling measures ensure a healthy and steady residential real estate market, which will benefit the real estate industry in the long-term.

Having cemented its position as the second largest economy globally, China will continue to present investment opportunities for CapitaLand. The robust economic growth will ensure a long and sustainable real estate development runway for CapitaLand. The Group has been investing in China since 1994, and is today a leading foreign real estate company there with diversified real estate businesses. Our accumulated portfolio in China is worth S$30 billion comprising more than 120 projects across 40 cities.

The Group intends to focus its investment activities on the residential, shopping mall, mixed use and serviced residence sectors in key Chinese cities to build on our leadership position in the respective markets. Capital deployment will be directed to key Chinese cities where the Group has a meaningful presence or where it has identified the potential to support a sizeable business operation. Approximately 90% of CapitaLand's China property asset value is concentrated in 10 major cities such as Shanghai, Beijing, Chengdu, Tianjin, Shenzhen, Hangzhou, Guangzhou, Kunshan, Chongqing and Foshan. Shanghai and Beijing, the key financial and political hubs of China, account for 34% and 14% of the Group's property value in China respectively.

Approximately 90% of CapitaLand's China property asset value is concentrated in 10 major cities such as Shanghai, Beijing, Chengdu, Tianjin, Shenzhen, Hangzhou, Guangzhou, Kunshan, Chongqing and Foshan

RAFFLES CITY CHONGQING
CHINA

Letter to Shareholders

Every Raffles City project is an iconic development and CapitaLand will be leveraging on the Raffles City brand to secure more investments in key Chinese cities. With the successful acquisition of an eighth Raffles City project in Chongqing, CapitaLand is well on course to fulfill its target of building 10 Raffles City projects in China. Each Raffles City development will be located in a prime location, an iconic design by a star architect and most importantly, a seamless integration of two or more real estate functions such as a mall, an office tower, a hotel and a serviced residence into one cohesive development under one roof.

As a niche developer in upper middle to luxury residential projects in China, CapitaLand will seek to replenish residential plots for development at reasonable prices within its existing four regions of East China (based in Shanghai), North China (based in Beijing), South China (based in Guangzhou) and South-west China (based in Chengdu). With 18 projects that could potentially offer approximately 21,000 housing units, the Group has a healthy pipeline for the next five years.

In 2011, CapitaLand stepped up efforts to build a strong pipeline of value homes, which are less impacted by government home purchase restrictions. The Group has already set up its presence in Wuhan, Guangzhou and Shanghai with three projects under its belt. Our target is to build approximately 10,000 value homes annually over the next three years, with the bulk of new acquisitions dedicated to these three regions.

The key cities of Shanghai, Beijing, Guangzhou and Shenzhen have a tight office supply in core CBD, driven by a growing demand from foreign and local financial institutions and consultancies. Outside of Shanghai and Beijing, our office investment strategy will be tied to our Raffles City projects.

CMA has a total of 56 shopping malls across 35 cities in China, with a total GFA of 61.1 million square feet

CMA has a total of 56 shopping malls across 35 cities in China, with a total GFA of 61.1 million square feet. Of these, 42 malls are operational. The conversion of our CapitaRetail China Development Fund to an income fund with a 50% upsize to US$900 million reflected the evolution of the portfolio of shopping malls from assets under development into operational malls. CMA will continue to enhance its early mover advantage and entrench into key cities to further build up our presence and leverage on economies of scale.

Ascott will broaden our serviced residence footprint in China to cater to a fast growing domestic travel market. The Group aims to grow its serviced residence portfolio in China to 12,000 apartment units by 2015. In addition to expanding the business through securing new management contracts, Ascott is ready to deepen its investments and entrench its leadership position in key cities such as Shanghai, Beijing, Shenzhen, Guangzhou, Chengdu and Wuhan.

Australia

CapitaLand adopts a cautious outlook for the Australian economy for 2012 as the domestic economy remains soft outside of the resources sector and its related industries.

CAPITAMALL WUSHENG AND SOMERSET WUSHENG WUHAN
CHINA

The Group's main investment activities in Australia will be conducted via Australand, with focus on the residential, industrial and office sectors, where the Group has distinct competitive advantages. Australand is cautiously optimistic on the business outlook given its well leased investment portfolio, solid contracted forward workload for the commercial and industrial business and healthy level of residential contracts on hand.

Australand's focus is on the residential, industrial and office sectors, where the Group has distinct competitive advantages

STRATEGIC CAPITAL MANAGEMENT

The Group has maintained a healthy balance sheet during an active year of investment activities. CapitaLand had made new investment commitments related to projects with a total underlying gross development value of about S$11 billion. At the same time, it crystalised the value of its portfolio by recycling some of its S$1.65 billion of divestment proceeds. The Group has healthy financial capacity with S$6.3 billion of cash and a net debt equity ratio of 0.31 as at end 2011. Less than 20% of our total debt is due within one year and our average debt maturity profile has improved to 3.8 years. In a period of great volatility and tight liquidity, the Group has managed to garner the continued support from its lending banks.

CapitaLand has maintained a diversified and balanced source of funding. This is done through funding from banks, capital markets and private equity capital. In recent years, the Group stepped up efforts to broaden its reach by tapping the debt capital markets for funding. During the year, approximately S$10 billion was raised across the Group; with about S$7 billion of bank loans raised, S$2 billion

S$10b
During the year, approximately S$10 billion was raised across the Group

Letter to Shareholders

via Commercial Mortgaged Backed Securities (CMBS), Sing-dollar corporate and retail bonds, and S$0.8 billion in equity and equity linked instruments. With two issuances of retail bonds amounting to S$500 million, the Group has successfully developed a differentiated source of debt funding, creating an investor base of more than 20,000 retail bond investors to tap for future offerings. A proactive approach towards refinancing requirements means that the bulk of the Group's immediate funding needs have been met.

In September 2011, management initiated its maiden share buyback programme. As part of this exercise, CapitaLand purchased a total of about 25.0 million shares, to be treated as treasury shares, at an average price of S$2.52 per share.

Our prudent capital management of optimising our sources and cost of capital and a sustainable dividend policy are efforts aimed towards a more efficient capital structure for the Group and maximising returns over the next few years. The Group's confidence is backed by our robust financial position and a capital structure that has the flexibility and capacity to meet a diverse business environment in the coming year.

DEVELOPING HUMAN CAPITAL

CapitaLand recognises the importance of developing and growing our human capital. The Group has an integrated human capital strategy to recruit, develop and motivate employees. Our consistent focus on building our talent pool ensures that we have depth in our management bench. CapitaLand actively identifies talents internally and externally to build its pipeline for succession planning and bench strength.

We will continue to embrace our credo of "Building People" by enlarging and enriching our talent pool, and developing our leadership and management teams

We will continue to embrace our credo of "Building People" by enlarging and enriching our talent pool, and developing our leadership and management teams. Young talent, mid-career professionals and "silver hairs" are part of our inclusive multi-prong approach in our investment in human capital. CapitaLand continues to provide training and development opportunities to equip employees for the competitive business environment internationally through programmes conducted by our own CapitaLand Institute of Management and Business (CLIMB), Ascott Centre for Excellence (ACE) and Innovation, Creativity, Entrepreneurship (ICE) initiatives. A strong pool of management talents, who are well trained, tested and equipped, have been identified for greater responsibilities and are set to take over key leadership roles to steer the Group to greater heights. With the guidance of the Board, they will chart the course for CapitaLand's future.

CORPORATE SOCIAL RESPONSIBILITY

As a good corporate citizen, CapitaLand has always been committed to doing things responsibly in the communities we operate within. CapitaLand's corporate social responsibility (CSR) efforts are in the areas of corporate philanthropy, volunteerism, community and the environment. For our efforts, we were listed on the Global 100 Most Sustainable Corporations in the World by Corporate Knights and the Sustainability Yearbook 2012, and was one of the three Singaporean companies in the Dow Jones Sustainability Asia Pacific Index.

Through My Schoolbag, CMA donated schoolbags containing school and daily necessities to nearly 19,000 underprivileged children in Singapore, China, Malaysia, Japan and India in 2011, with funding from CapitaLand Hope Foundation

Every year, CapitaLand allocates up to 0.5% of its net profit to CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand, as CapitaLand's CSR commitment to support programmes for the shelter, education and healthcare needs of underprivileged children in the communities where CapitaLand operates.

Every year, CapitaLand allocates up to 0.5% of its net profit to CapitaLand Hope Foundation, the philanthropic arm of CapitaLand

For the first time, in 2011, CapitaLand partnered five Community Development Councils in Singapore to extend the donations from its Green for Hope @ CapitaLand campaign to more beneficiaries. The reach of our Green for Hope @ Primary Schools campaign was expanded to all primary schools in Singapore during the year. Green for Hope is our annual recycling campaign that marries green efforts with philanthropy. In collaboration with CHF, Green for Hope encourages tenants, shoppers and serviced residence guests at our properties and primary school students to go green by recycling, and in doing so, "earn" donations to benefit underprivileged children. CHF donated S$2 for every kilogramme of recyclable waste collected from the participating CapitaLand properties and primary schools.

Beyond Singapore, CHF also extended its corporate philanthropy to underprivileged children in countries where CapitaLand has a presence. Through My Schoolbag, CMA's signature annual CSR programme, the Group donated schoolbags containing school and daily necessities to nearly 19,000 underprivileged children in Singapore, China, Malaysia, Japan and India. 2011 was the first time CMA extended My Schoolbag to Malaysia, Japan and India.

Letter to Shareholders

CapitaLand also actively promotes volunteerism among its staff

CapitaLand also actively promotes volunteerism among its staff. Each staff is given three days of paid volunteer service leave each year for charitable work of his choice. In 2011, CapitaLand staff volunteered over 9,800 hours in various activities across Asia, particularly in China and Vietnam. Our staff enthusiastically volunteered in the construction and upgrading of school facilities and teaching of young children at CapitaLand Hope Schools in these two countries.

We strive to be an environmentally-sustainable real estate developer and aim to be at the forefront of the industry in terms of green buildings and environmental awareness

We strive to be an environmentally-sustainable real estate developer and aim to be at the forefront of the industry in terms of green buildings and environmental awareness. For demonstrating best practices in 'green' excellence and innovation, we were conferred the Asia Pacific Green Builder of the Year award at the inaugural 2011 Frost & Sullivan Asia Pacific Green Excellence Awards. We also obtained 17 green building awards with our Singapore shopping mall, JCube, clinching the prestigious Green Mark Platinum award by the Building and Construction Authority (BCA).

As environmental management and occupational health and safety are of paramount importance to CapitaLand, we more than doubled our geographical reach of our ISO 14001 and OHSAS 18001 certification (international standards which are externally audited) in Singapore, China, Japan, Malaysia and Vietnam to Australia, France, India, Philippines, Thailand and United Kingdom. Recognising our extensive environmental management system, Global Real Estate Sustainability Benchmark (GRESB) acknowledged CapitaLand as one of the Asian leaders in environmental management in its 2011 survey.

JCUBE
SINGAPORE

GOING FORWARD

Looking into 2012, we expect Asia to lead world economic growth. With our three core markets of Singapore, China and Australia, the Group is well poised to benefit from this growth. Singapore is forecasted to grow between 1% and 3%, while China is targeting 7.5% growth.

With our three core markets of Singapore, China and Australia, the Group is well poised to benefit from this growth

Going forward, CapitaLand will continue to build on its leadership position in multi-sector real estate businesses to drive our growth strategy. We expect to be entrenched in the key cities and regions that we are currently in and achieve economies of scale.

With our strong balance sheet and gearing capacity, we remain confident and are ready for selective acquisitions as well as to weather market volatility.

With our strong balance sheet and gearing capacity, we remain confident and are ready for selective acquisitions as well as to weather market volatility

Despite possible economic headwinds, we are confident that CapitaLand, led by strong management and armed with a robust balance sheet, will be able to continue growing our business in 2012 and beyond.

We welcome Ms Euleen Goh to the Board and look forward to her counsel and contributions in the years ahead. We want to acknowledge the invaluable contributions from outgoing directors Mr Richard Hale and Dr Fu Yuning who will not be seeking re-appointment and re-election respectively at the forthcoming Annual General Meeting. Mr Hale will also step down as Chairman of the Audit Committee and as member of the Risk Committee upon his retirement.

Mr Ng Kee Choe will be appointed as Chairman of the Board as well as Chairman of the Group's Investment Committee on 1 May 2012. Mr Ng brings with him wide ranging experience in major companies and a distinguished career in banking. We are confident that he will be able to offer his vision and expertise to steer the Group to its next phase of growth.

On behalf of the Board and management, we wish to thank all staff, shareholders, business partners and associates for their continued commitment and support of the Group.

DR HU TSU TAU
CHAIRMAN

LIEW MUN LEONG
PRESIDENT & CEO

28 February 2012

On behalf of the Board and management, I wish to inform you that Dr Hu Tsu Tau will not be seeking re-appointment at the forthcoming Annual General Meeting. We would like to thank Dr Hu for his strong leadership at the Board providing vision, stewardship and oversight for the last eight years. As Chairman since April 2004, he successfully steered the Group to consistently deliver good results, even amidst very difficult market conditions. We wish him well in his retirement.
– Mr Liew Mun Leong

Year In Brief

JANUARY

CapitaLand signed an agreement to acquire Marine Point for S$100.7 million through a collective sale. CapitaLand plans to redevelop the freehold site into a distinctive condominium with 150 units for cosmopolitan living.

Shinjuku Front Square, Tokyo, Japan, a prime commercial cum residential development in Kita-Shinjuku was unveiled. Shinjuku Front Square comprises a 35-storey commercial tower named Shinjuku Front Tower and a 20-storey residential tower named The Park House Shinjuku Tower.

Ascott expanded into Germany's second largest city, Hamburg, through acquiring a turnkey project to be developed into Citadines Michel Hamburg. It also entered into a joint venture to develop its first Citadines Apart'hotel in Bangalore, Citadines Galleria Bangalore, and secured contracts to manage two more serviced residences in the Philippines – Ascott Bonifacio Global City Manila and Citadines Salcedo Makati.

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

FEBRUARY

CapitaLand clinched a 99-year leasehold site in Bishan Central for S$550.1 million through a government land sales tender. CapitaLand plans to create a new architectural landmark on the site.

CapitaLand acquired an incremental 38% stake in a 575,787-square metre waterfront site in Panyu District, Guangzhou. Located along the Pearl River, CapitaLand will be the lead manager for the project, which will be developed into a residential estate comprising approximately 7,800 low-density and high-rise homes equipped with retail, fitness and recreational facilities, and schools.

Ascott strengthened its leadership position in China and Malaysia with the opening of Ascott Maillen Shenzhen, Somerset Heping Shenyang and Somerset Ampang Kuala Lumpur, and secured a contract to manage its first serviced residence in Cyberjaya, Citadines D'Pulze Cyberjaya.

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

MARCH

CapitaLand entered into a joint venture with Japan's Mitsubishi Estate Co., Ltd. to jointly develop the Bishan Central condominium. CapitaLand will hold a 75% stake in the venture while Mitsubishi Estate will hold the remaining 25%.

CapitaLand organised the inaugural CapitaLand Debt Investor Relations Forum in Singapore.

APRIL

CapitaLand divested its entire 40% stake in its joint venture company, TCC Capital Land Limited, for a cash consideration of THB2,340.8 million (approximately S$97.1 million).

Ascott acquired its first serviced residence in the German city of Frankfurt, Citadines Messe Frankfurt, and entered Macau SAR in China through clinching a contract to manage Ascott Paragon Macau.

MAY

CapitaLand held a ceremony to announce its presence in Tianjin. The event was officiated by Mr Li Yali, Deputy Director of Standing Committee of Tianjin Municipal People's Congress.

CapitaLand launched Dolce Vita, located in the heart of Jinshazhou in Baiyun district, Guangzhou. Buyer response was strong, with 80% of launch units sold.

Ascott acquired two prime properties in Paris to be developed into its first serviced residence in France under the premier Ascott brand. Ascott also secured contracts to manage three more serviced residences in Indonesia, Malaysia and Qatar – Somerset Kencana Jakarta, Somerset Damansara Uptown Petaling Jaya and Ascott Doha.

CapitaLand signed a Joint Venture Agreement with Khang Dien Sai Gon Real Estate JSC to jointly develop an approximately 29,000-square metre site in District 2, Ho Chi Minh City, Vietnam, into 974 value homes. CapitaLand and Khang Dien held 70% and 30% stake, respectively, in the joint venture company. The project, named PARCSpring, was subsequently injected into a joint venture fund which CapitaLand holds a 50% stake.

CapitaLand acquired 65% stake in Quoc Cuong Sai Gon Company for a cash consideration of VND121.2 billion (approximately S$7.3 million). Quoc Cuong owns an approximately 9,000-square metre piece of land in Binh Chanh District, Ho Chi Minh City, Vietnam. The project has received the Investment Certificate to be developed into approximately 800 value homes.

CAPITAGREEN
SINGAPORE

CapitaMalls Asia converted CapitaRetail China Development Fund to CapitaMalls China Income Fund, and upsized it by 50% to US$900.0 million (approximately S$1,127.1 million).

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

CapitaRetail China Trust (CRCT) acquired CapitaMall Minzhongleyuan, previously known as New Minzhong Leyuan Mall, in Wuhan, China at an agreed property price of RMB395.0 million (approximately S$78.6 million).

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

Orchard Turn Developments Pte Ltd, Singapore, the owner and manager of ION Orchard and The Orchard Residences, was accorded the BCA Design and Engineering Safety Excellence Award.

JUNE

Raffles City Singapore (via special purpose vehicle Silver Oak Ltd.) issued US$645.0 million five-year secured floating rate notes which was 1.7 times subscribed.

CapitaMalls Malaysia Trust (CMMT) acquired East Coast Mall, Kuantan, Malaysia for a purchase consideration of RM310.0 million (approximately S$129.0 million).

CapitaMalls Asia opened Minhang Plaza in Shanghai, China.

JULY

CapitaLand, CapitaCommercial Trust and Mitsubishi Estate Asia signed a joint-venture agreement to redevelop Market Street Car Park into CapitaGreen, a Grade A office tower at an estimated total project development cost of S$1.4 billion.

Ascott signed a lease agreement for Citadines Richmond Bangalore, its first serviced residence to open in India.

CapitaMalls Asia opened The Celebration Mall, Udaipur in India.

AUGUST

CapitaLand secured a prime 32,040-square metre residential site in Gongshu district, Hangzhou, to develop 700 units of mid- to high-end homes.

Ascott acquired its first serviced residence in Hai Phong in Vietnam, Somerset Central TD Hai Phong City, and clinched contracts to manage two more properties in China – Ascott Financial City Chengdu and Somerset Wangjing Beijing.

CapitaMalls Asia acquired the remaining 50% stakes in Minhang Plaza and Hongkou Plaza in Shanghai, China for approximately US$789.0 million (approximately S$988.1 million).

Year
In Brief

SEPTEMBER

CapitaLand unveiled the design for Sky Habitat by renowned international architect, Moshe Safdie. Located on a 11,997-square metre site in the heart of Bishan Central, one of Singapore's choice residential areas, the condominium will comprise 509 apartments across two 38-storey towers.

CapitaLand brought in Japan's Shimizu Corporation to invest in a 10% stake in the CapitaLand-led consortium developing the Bishan Central condominium. CapitaLand will hold a 65% stake in the venture.

CapitaLand held the topping out ceremony for Raffles City Chengdu, the Group's third Raffles City project in China, after Raffles City Shanghai and Raffles City Beijing.

Ascott opened its first Somerset brand of serviced residence in India, Somerset Greenways Chennai.

CapitaLand completed The Vista on schedule and progressively handed over the apartments to the homebuyers despite the challenging economic situation in Vietnam. The Vista is CapitaLand's first residential project in Vietnam.

CapitaMalls Asia formed a 50:50 joint venture with Suzhou Industrial Park Jinji Lake Urban Development Co., to develop a prime site in Suzhou Centre into the largest shopping mall in Suzhou, for about RMB6.74 billion (S$1.33 billion), including land cost.

OCTOBER

CapitaLand launched the Tianjin International Trade Centre. Located at the central business district in Tianjin, the project consists of three towers and podium buildings and is designed to be a new iconic landmark.

Ascott extended its footprint to Nusajaya in Malaysia and Muscat in Oman through securing contracts to manage Somerset Puteri Harbour Iskandar and Somerset Panorama Muscat. Ascott also opened its third Citadines serviced residence in Xi'an in China, Citadines Xingqing Palace Xi'an.

CapitaLand's joint venture, StorHub, acquired an industrial property at Admiralty Rd, Singapore to be a StorHub facility, for S$16.4 million.

CapitaMalls Asia launched its secondary listing by introduction on the Main Board of the Hong Kong Stock Exchange (HKEx).

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

NOVEMBER

CapitaLand and CapitaMalls Asia launched Bedok Residences in Bedok Central. Comprising 583 units spread across eight 15-storey blocks, Bedok Residences is part of an integrated development, which includes a shopping mall with direct access to both the MRT and bus interchange. On launch day, more than 350 units of the 450 units released were sold. Within the first three days of its launch, over 80% of the total 583 units were sold, a testament to the strong appeal of its unique and attractive attributes.

CapitaLand, together with CapitaMalls Asia and Singbridge Holdings, secured a prime site in the heart of Yuzhong District in Chongqing, China to develop a landmark mixed development including a shopping mall and eight towers for residential, office, serviced residence and hotel use, with total gross floor area of about 817,000 square metres. The total development cost is expected to be RMB21.1 billion (about S$4.2 billion).

Ascott expanded in China with two contracts to manage its first serviced residence in Foshan, Ascott M-City Foshan, and its second property in Hong Kong SAR, Somerset Victoria Park Hongkong.

CapitaLand acquired two sites in Guangzhou's Panyu District and Shanghai's Pudong District in China for RMB530.0 million (approximately S$107.8 million). The two sites, totaling approximately 156,600 square metres, will be developed into more than 2,400 value homes.

CapitaLand Nang Yen Primary Hope School, CapitaLand's first Hope School in Vietnam, welcomed 165 pupils to the newly refurbished school premises and upgraded facilities. The school is located in Phu Tho Province, 130 kilometres north of Hanoi, Vietnam.

DECEMBER

CapitaLand divested a high-tech industrial building, Corporation Place, for S$99.0 million, of which CCL owned 75%.

Ascott secured a contract to manage the first international branded serviced residence in Wuhan's city centre, Somerset Wusheng Wuhan.

Ascott Residence Trust acquired a 60% interest in Citadines Shinjuku Tokyo, a 160-unit freehold property in Shinjuku-ku, Tokyo, in Japan

CapitaMalls Asia opened Hongkou Plaza in Shanghai and CapitaMall Crystal in Beijing, China.

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

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

CapitaLand staff volunteers with the pupils from CapitaLand Nang Yen Primary Hope School at the newly furbished school premises

Corporate Directory

BOARD OF DIRECTORS
Dr Hu Tsu Tau
Chairman

Peter Seah Lim Huat
Deputy Chairman

Liew Mun Leong
President & CEO

Richard Edward Hale
James Koh Cher Siang
Arfat Pannir Selvam
Prof Kenneth Stuart Courtis
Dr Fu Yuning
John Powell Morschel
Ng Kee Choe
Simon Claude Israel
Euleen Goh Yiu Kiang

COMPANY SECRETARY
Low Sai Choy

ASSISTANT COMPANY SECRETARY
Ng Chooi Peng

BOARD COMMITTEES
Audit Committee
Richard Edward Hale (Chairman)
James Koh Cher Siang
Arfat Pannir Selvam
Euleen Goh Yiu Kiang

Investment Committee
Dr Hu Tsu Tau (Chairman)
Liew Mun Leong
Prof Kenneth Stuart Courtis
John Powell Morschel
Ng Kee Choe
Simon Claude Israel
Arthur Lang Tao Yih

Executive Resource and Compensation Committee
Peter Seah Lim Huat (Chairman)
Ng Kee Choe
Simon Claude Israel

Nominating Committee
Peter Seah Lim Huat (Chairman)
Liew Mun Leong
Arfat Pannir Selvam
John Powell Morschel
Ng Kee Choe
Simon Claude Israel

Finance and Budget Committee
Peter Seah Lim Huat (Chairman)
Liew Mun Leong
Prof Kenneth Stuart Courtis
Ng Kee Choe
Arthur Lang Tao Yih

Corporate Disclosure Committee
James Koh Cher Siang (Chairman)
Liew Mun Leong
Arfat Pannir Selvam

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

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AUDITORS
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16 Raffles Quay
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Telephone: +65 6213 3388
Facsimile: +65 6225 4142
(Engagement Partner since financial year ended 31 December 2010: Leong Kok Keong)

PRINCIPAL BANKERS
- Australia and New Zealand Banking Group Limited
- Bank of China
- BNP Paribas
- CIMB Bank Berhad
- Commonwealth Bank of Australia
- Credit Agricole Corporate and Investment Bank
- DBS Bank Ltd
- Deutsche Bank AG
- Industrial and Commercial Bank of China Limited
- Malayan Banking Berhad
- Mizuho Corporate 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
- Westpac Banking Corporation

Financial Calendar

FINANCIAL YEAR ENDED 31 DECEMBER 2011

Announcement of First Quarter Results	26 April 2011
Announcement of Second Quarter Results	4 August 2011
Announcement of Third Quarter Results	21 October 2011
Announcement of Full Year Results	14 February 2012
Annual General Meeting	30 April 2012
Books Closing (Record Date)	5.00 p.m. on 9 May 2012
Books Closure	10 May 2012
Proposed Payment of 2011 Final Dividend and Special Dividend	22 May 2012

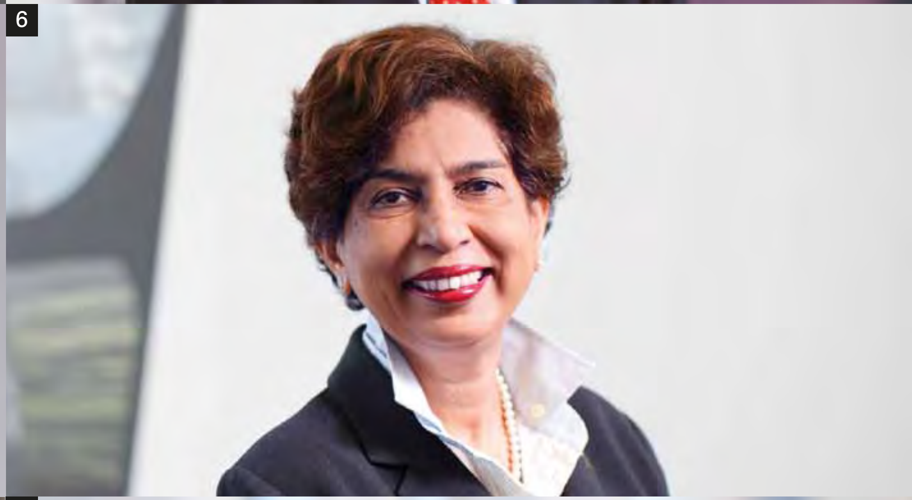
FINANCIAL YEAR ENDING 31 DECEMBER 2012

Proposed Announcement of First Quarter Results	April 2012
Proposed Announcement of Second Quarter Results	August 2012
Proposed Announcement of Third Quarter Results	October 2012
Proposed Announcement of Full Year Results	February 2013

Board of Directors









1 **DR HU TSU TAU**
CHAIRMAN

2 **PETER SEAH LIM HUAT**
DEPUTY CHAIRMAN

3 **LIEW MUN LEONG**
PRESIDENT & CEO

4 **RICHARD EDWARD HALE**
DIRECTOR

5 **JAMES KOH CHER SIANG**
DIRECTOR

6 **ARFAT PANNIR SELVAM**
DIRECTOR

7 **PROFESSOR KENNETH STUART COURTIS**
DIRECTOR

8 **DR FU YUNING**
DIRECTOR

9 **JOHN POWELL MORSCHEL**
DIRECTOR

10 **NG KEE CHOE**
DIRECTOR

11 **SIMON CLAUDE ISRAEL**
DIRECTOR

12 **EULEEN GOH YIU KIANG**
DIRECTOR

Board of Directors

DR HU TSU TAU

CHAIRMAN

Dr Hu Tsu Tau, an Independent Non-Executive Director, joined the CapitaLand Board on 13 April 2004 and was elected Chairman on the same day. He was last re-appointed as Director at CapitaLand's Annual General Meeting on 25 April 2011. He is also Chairman of CapitaLand's Investment Committee (IC).

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

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

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

Dr Hu will be retiring as Director from the Annual General Meeting on 30 April 2012 and will not be seeking re-appointment pursuant to Section 153(6) of the Companies Act, Cap. 50. Dr Hu will upon retirement cease to serve as Chairman of the Board and Chairman and a Member of the IC.

PETER SEAH LIM HUAT

DEPUTY CHAIRMAN

Mr Peter Seah, an Independent Non-Executive Director, joined the CapitaLand Board on 18 December 2001 and was appointed as Deputy Chairman on 1 January 2009. Mr Seah was last re-elected as Director at CapitaLand's Annual General Meeting on 16 April 2010. He is also Chairman of CapitaLand's Finance and Budget Committee, Executive Resource and Compensation Committee and Nominating Committee.

Mr Seah is presently Chairman of DBS Group Holdings Ltd, Singapore Technologies Engineering Ltd (both listed on the Singapore Exchange Securities Trading Limited ("SGX-ST")), LaSalle College of the Arts Limited and Singapore Health Services Pte Ltd. Mr Seah is a Director of STATS ChipPAC Ltd, StarHub Ltd (both listed on the SGX-ST) and Level 3 Communications Inc (listed on NASDAQ). Mr Seah also sits on the Board of the Government of Singapore Investment Corporation Pte Ltd and Defence Science Technology Agency.

From 2001 to 2004, Mr Seah was President & CEO of Singapore Technologies Pte Ltd. Prior to the above appointment, Mr Seah was with Overseas Union Bank (OUB) from 1977 and became its President & CEO in 1991. Mr Seah retired as Vice Chairman and CEO from OUB on 30 September 2001. Mr Seah was also Chairman of SembCorp Industries Ltd and Singapore Computer Systems Limited (both listed on the SGX-ST), President Commissioner of PT Indosat Tbk (listed on the Stock Exchange of Indonesia), Deputy Chairman of Global Crossing Limited (listed on the New York Stock Exchange), Director of Chartered Semiconductor Manufacturing Ltd (listed on the SGX-ST), Siam Commercial Bank Public Company Limited (listed on the Stock Exchange of Thailand), Alliance Bank Malaysia Berhad (listed on Bursa Malaysia) and Bank of China Limited (listed on Hong Kong and Shanghai Stock Exchanges).

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

LIEW MUN LEONG

PRESIDENT & CEO

Mr Liew Mun Leong is President & CEO of CapitaLand Group. He joined the Board of Pidemco Land as Director on 1 January 1997. Pidemco Land merged with DBS Land to form CapitaLand in November 2000. Mr Liew continued to serve on the CapitaLand Board and was last re-elected as Director at CapitaLand's Annual General Meeting on 16 April 2010. He also serves as Member of CapitaLand's Investment Committee, Nominating Committee, Corporate Disclosure Committee and Finance and Budget Committee.

Mr Liew is Chairman of CapitaMalls Asia Limited (listed on the SGX-ST and Hong Kong Stock Exchange), CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Financial Limited, CapitaValue Homes Limited and CapitaLand ILEC Pte. Ltd..

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

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

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

Mr Liew has spent 22 years in the public sector and another 20 years in the private sector in various leadership positions.

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

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

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

RICHARD EDWARD HALE

DIRECTOR

Mr Richard Hale, an Independent Non-Executive Director, joined the CapitaLand Board on 10 February 2003 and was last re-appointed as Director at CapitaLand's Annual General Meeting on 25 April 2011. He is also Chairman of CapitaLand's Audit Committee (AC) and a Member of CapitaLand's Risk Committee (RC).

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

Mr Hale started his career with The Hongkong and Shanghai Banking Corporation Ltd in October 1958 and served in London, Paris, Hong Kong, Germany, Malaysia, Japan and Singapore before retiring from the Bank as CEO Singapore and Director in March 1995. From July 1995 to September 1997, he acted as advisor on environmental matters for HSBC Holdings plc London, based in Singapore. Mr Hale was Executive Chairman of SNP Corporation Ltd from April 1999 to April 2000, and also served as Chairman of the Singapore International Chamber of Commerce for 1993 and 1994. He was formerly a Governor of United World College of South East Asia, Singapore and a Director of The Ascott Group Limited (formerly listed on the SGX-ST and now known as The Ascott Limited), Wheelock Properties (Singapore) Limited and Sembcorp Industries Ltd (both listed on the SGX-ST) and BW Trust Management Pte Ltd.

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

Mr Hale will be retiring as Director as from the Annual General Meeting on 30 April 2012 and will not be seeking re-appointment pursuant to Section 153(6) of the Companies Act, Cap. 50. Mr Hale will upon retirement cease to serve as Chairman and a Member of the AC and a Member of the RC.

Board of Directors

JAMES KOH CHER SIANG

DIRECTOR

Mr James Koh, an Independent Non-Executive Director, joined the CapitaLand Board on 1 July 2005 and was last re-elected as Director at CapitaLand's Annual General Meeting on 25 April 2011. He is Chairman of CapitaLand's Risk Committee and Corporate Disclosure Committee; and a Member of CapitaLand's Audit Committee.

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

Mr Koh is presently Chairman of Housing & Development Board, Singapore Deposit Insurance Corporation Limited, MechanoBiology Institute and Singapore Island Country Club. He sits on the Boards of UOL Group Limited and Pan Pacific Hotels Group Limited (both listed on the SGX-ST). He is also a Director of Singapore Cooperation Enterprise and Thye Hua Kwan Moral Charities Limited.

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

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

ARFAT PANNIR SELVAM

DIRECTOR

Mrs Arfat Selvam, an Independent Non-Executive Director, joined the CapitaLand Board on 2 January 2006 and was last re-elected as Director at CapitaLand's Annual General Meeting on 25 April 2011. She is a Member of CapitaLand's Audit Committee, Corporate Disclosure Committee, Nominating Committee and Risk Committee.

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

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

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

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

PROFESSOR KENNETH STUART COURTIS

DIRECTOR

Prof Kenneth Courtis, an Independent Non-Executive Director, joined the CapitaLand Board on 14 February 2007 and was last re-elected as Director at CapitaLand's Annual General Meeting on 23 April 2009. He is a Member of CapitaLand's Finance and Budget Committee and Investment Committee.

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

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

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

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

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

DR FU YUNING

DIRECTOR

Dr Fu Yuning, an Independent Non-Executive Director, joined the CapitaLand Board on 27 July 2009 and was last re-elected as Director at CapitaLand's Annual General Meeting on 16 April 2010.

Dr Fu is presently the Chairman of China Merchants Group Limited, China Merchants Holdings (International) (listed on the Hong Kong Stock Exchange), and China Merchants Bank Company Limited (listed on both the Hong Kong and Shanghai Stock Exchanges). Dr Fu is also an Independent Non-Executive Director of Li & Fung Limited (listed on the Hong Kong Stock Exchange). He was a Director of CapitaMalls Asia Limited (listed on the SGX-ST and Hong Kong Stock Exchange).

Dr Fu also holds directorship in some public associations such as General Committee Member of the Hong Kong General Chamber of Commerce.

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

Dr Fu will be retiring by rotation pursuant to Article 95 of CapitaLand's Articles of Association at the Annual General Meeting on 30 April 2012 and will not be seeking re-election.

Board of Directors

JOHN POWELL MORSCHEL

DIRECTOR

Mr John Morschel, an Independent Non-Executive Director, joined the CapitaLand Board on 1 February 2010 and was last re-elected as Director at CapitaLand's Annual General Meeting on 16 April 2010. He is also a Member of CapitaLand's Nominating Committee and Investment Committee.

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

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

NG KEE CHOE

DIRECTOR

Mr Ng Kee Choe, an Independent Non-Executive Director, joined the CapitaLand Board on 16 April 2010. He is currently a Member of CapitaLand's Executive Resource and Compensation Committee, Investment Committee (IC), Nominating Committee and Finance and Budget Committee.

Mr Ng is presently Chairman of Singapore Power Limited (until 30 June 2012), SP AusNet (listed on both SGX-ST and Australian Securities Exchange), NTUC Income Insurance Co-Operative Limited and Tanah Merah Country Club and President-Commissioner of PT Bank Danamon Indonesia Tbk (listed on the Indonesia Stock Exchange). Mr Ng is a member of Temasek Advisory Panel and International Advisory Council of China Development Bank. In addition, he is also a Director of Singapore Exchange Limited and Singapore Airport Terminal Services Limited (both listed on the SGX-ST) and Fullerton Financial Holdings Pte Ltd.

Mr Ng was Vice-Chairman of DBS Group Holdings Ltd ("DBS"). He retired from his executive position in July 2003 after 33 years of service with DBS. For his contributions to public service, Mr Ng was awarded the Public Service Star in 2001.

Mr Ng is a graduate of the University of Singapore with a Bachelor of Science (Honours) Degree.

Mr Ng will serve as Chairman of the CapitaLand Board and Chairman of the IC on 1 May 2012.

SIMON CLAUDE ISRAEL

DIRECTOR

Mr Simon Claude Israel, a Non-Independent Non-Executive Director, joined the CapitaLand Board on 1 July 2010. He is a Member of CapitaLand's Investment Committee, Executive Resource and Compensation Committee and Nominating Committee.

Mr Israel is presently Chairman of Singapore Telecommunications Limited, Asia Pacific Breweries Limited (both listed on the SGX-ST), Asia Pacific Breweries Foundation and SingTel Innov8 Pte Ltd. He is also a Director of SingTel Innov8 Holdings Pte Ltd and a Member of the Governing Board of Lee Kuan Yew School of Public Policy.

Mr Israel retired as Executive Director of Temasek Holdings (Private) Limited, the Singapore-headquartered investment firm, on 1 July 2011. Prior to this, he was Chairman, Asia Pacific, of the Danone Group, and also worked across the Asia Pacific region in a 22-year career with Sara Lee Corporation. He stepped down as Chairman of the Singapore Tourism Board on 31 December 2010, and was a former Director of Fraser and Neave Limited and Neptune Orient Lines Limited (both listed on the SGX-ST).

Mr Israel holds a Diploma in Business Studies from The University of the South Pacific.

EULEEN GOH YIU KIANG

DIRECTOR

Ms Euleen Goh Yiu Kiang, an Independent Non-Executive Director, joined the CapitaLand Board on 1 October 2011. She is currently a Member of CapitaLand's Audit Committee (AC).

Ms Goh is presently Chairman of the Singapore International Foundation, Northlight School and Singapore Chinese Girls' School. She is a Director of Singapore Airlines Limited, Singapore Exchange Limited, DBS Group Holdings Ltd (all listed on the SGX-ST), Aviva plc (listed on the London Stock Exchange) and DBS Bank Ltd. She is also member of the Management Advisory Board of NUS Business School, and Adviser to the Singapore Institute of International Affairs.

Ms Goh had previously served as Chairman of International Enterprise Singapore, Accounting Standards Council and Financial Industry Competency Standards Committee and Deputy Chairman of CapitaLand Financial Limited. She was a Director of MediaCorp Pte Ltd and MOH Holdings Pte Ltd, and a Council Member of the Institute of Banking & Finance.

Ms Goh held various senior management positions in Standard Chartered Bank, retiring in March 2006 after some 21 years with the Bank. She was CEO of Standard Chartered Bank, Singapore from 2001 until March 2006.

Ms Goh was named as Her World Woman of the Year 2005. For her contributions to the Financial Services sector, she was awarded a Public Service Medal by the President of Singapore in the same year.

Ms Goh is a Chartered Accountant with professional qualifications in banking and taxation.

Ms Goh will be appointed as Chairman of AC and a Member of Risk Committee on 30 April 2012.

Corporate Governance

Report for the period from 1 January 2011 to 31 December 2011

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

This Report on our corporate governance practices for financial year 2011 ("Report") describes our application of good governance principles in building a company committed to integrity, excellence and its people. The application is underpinned by sound and robust systems of internal controls and accountability, which help to promote and drive long-term sustainable growth and shareholder value.

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

(A) BOARD MATTERS

Principle 1: Board's Conduct of Affairs

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

The key roles of our Board are to:

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

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

Membership of the various Board Committees is carefully managed to ensure an equitable distribution of responsibility among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered. CapitaLand has also taken steps to ensure that there are appropriate checks and balances in the compositions of the various Board Committees. For instance, membership of the FBC and IC which are involved in key business or executive decisions and membership of the AC with its supervisory role are mutually exclusive.

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

A total of four Board meetings was held in 2011.

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

A table showing the attendance record of directors at Board and Board Committee meetings during the year is set out on page 55 of this Report. We believe in the manifest contribution of our directors beyond attendance at formal Board and Board Committee meetings. CapitaLand's directors are all professionals with diverse experience able to provide effective guidance on the strategic direction of the Group's businesses. To judge a director's contribution based on his attendance at formal meetings alone would not do justice to his overall contribution, which includes being accessible to Management for guidance or exchange of views outside the formal environment of Board meetings.

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

The IC is chaired by Dr Hu Tsu Tau and comprises Mr Liew Mun Leong, Prof Kenneth Stuart Courtis, Mr John Powell Morschel (appointed on 1 June 2011), Mr Ng Kee Choe (appointed on 1 December 2011), Mr Simon Claude Israel and Mr Arthur Lang Tao Yih, the Group Chief Financial Officer ("Group CFO") (appointed on 1 August 2011). The IC has been delegated the authority by the Board to approve the Group's investments and divestments, participation in tenders and bids and acceptance of credit facilities from financial institutions and banks. Since 2000, the Board had approved the delegation of some of its authority to the Boards and Management Committees of its various strategic business units ("SBU") within strict limits. Apart from convening six meetings of the IC in 2011, the views of the IC and Board were actively sought by the SBUs, and the approval of the IC was obtained where required.

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

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

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

Principle 2: Board Composition and Guidance

The Board comprises 12 directors with 11 non-executive directors.

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

The directors are business leaders and professionals with governmental, public service, financial, banking, tax, property, economics, transportation and related infrastructure, legal, investment and accounting backgrounds. Profiles of the directors are provided on pages 36 to 43 of this Report.

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

Corporate Governance

Report for the period from 1 January 2011 to 31 December 2011

The Board has established the NC which makes recommendations to the Board on all Board appointments and determines a director's independence. The NC has determined that 10 of the 11 non-executive directors on the Board were independent in the financial year 2011.

Although Mr Peter Seah Lim Huat and Ms Euleen Goh Yiu Kiang are respectively the non-executive Chairman and non-executive director of DBS Group Holdings Ltd and DBS Bank Ltd which have rendered banking and financial services to CapitaLand and/or its group companies in fees exceeding S$200,000 in the financial year 2011, the NC considers Mr Seah and Ms Goh as independent directors notwithstanding their relationships with CapitaLand in respect of Guidance Note 2.1(d) of the Code as they are able to exercise strong independent judgement in their deliberations in the interests of CapitaLand.

Although Mr John Powell Morschel is the non-executive Chairman and non-executive director of Australia and New Zealand Banking Group Limited which has rendered banking and financial services to CapitaLand and/or its group companies in fees exceeding S$200,000 in the financial year 2011, the NC considers Mr Morschel as an independent director notwithstanding his relationship with CapitaLand in respect of Guidance Note 2.1(d) of the Code as he is able to exercise strong independent judgement in his deliberation in the interests of CapitaLand.

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

Principle 4: Board Membership

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

The NC is chaired by Mr Peter Seah Lim Huat and comprises Mr Liew Mun Leong, Mrs Arfat Pannir Selvam, Mr John Powell Morschel, Mr Ng Kee Choe (appointed on 1 December 2011) and Mr Simon Claude Israel.

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

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

- review and recommend candidates to be CapitaLand's nominees on the Board and Board Committees of listed companies within the Group;
- review and recommend candidates to the Board and Board Committees of holding companies of the SBUs; and
- review CapitaLand's corporate governance practices at least once a year, having regard to relevant local and international developments in the area of corporate governance (including changes in applicable law, regulations and listing rules), and recommend changes to the Board.

The NC sources for candidates for appointment on the Boards of the Group, in particular, candidates who would be able to value add to Management through their contributions of their skills, knowledge and experiences in the relevant strategic business areas.

CapitaLand's Articles of Association require one-third of its directors to retire and subject themselves to re-election ("one-third rotation rule") by shareholders at every Annual General Meeting ("AGM"). In other words, no director stays in office for more than three years without being re-elected by shareholders.

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

In addition, a new director appointed by the Board will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

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

CapitaLand has adopted a policy that non-executive directors serve a maximum of two three-year terms and thereafter by exception on the recommendation of the NC.

The NC ensures that although some of our directors sit on the boards of various companies, they devote sufficient time and attention to the affairs of CapitaLand.

Principle 5: Board Performance

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

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

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

An evaluation of the Board and Board Committees involving the directors and the Senior Management was conducted by an independent external consultant during the year. The NC has examined the findings and made proposals which the Board has accepted.

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

Principle 6: Access to Information

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

Management provides adequate and timely information to the Board on Board affairs and issues requiring the Board's decision. It also provides ongoing reports relating to operational and financial performance of CapitaLand, such as monthly management financial reports. The Articles of Association of CapitaLand provide for directors to convene meetings by teleconferencing or videoconferencing. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through electronic means which include electronic mail, teleconferencing and videoconferencing. Alternatively, Management will brief directors in advance before seeking the Board's approval.

Corporate Governance

Report for the period from 1 January 2011 to 31 December 2011

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

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

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

(B) REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

We believe that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the building of management bench strength and the development of key executives. This is to ensure continual development of talent and renewal of strong and sound leadership for a sustainable business and a lasting company. CapitaLand's ERCC plays a crucial role in helping to ensure that we are able to attract, recruit and retain the best talents to drive the Group's businesses forward.

The ERCC is chaired by Mr Peter Seah Lim Huat and comprises Mr Ng Kee Choe and Mr Simon Claude Israel.

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

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

- approve the remuneration framework for CapitaLand Group;
- approve the remuneration framework for non-executive directors;
- establish compensation policies for key executives;
- approve salary reviews, bonus and incentives for key executives;
- approve share incentives and share ownership for executives;
- approve key appointments and review succession plans for key positions; and
- oversee the development of key executives and younger talented executives.

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

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

The ERCC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the ERCC takes into consideration industry practices and norms in compensation. The President & CEO is not present during the discussions relating to his own compensation and terms and conditions of service, and the review of his performance. The President & CEO will be in attendance when the ERCC discusses policies and compensation of his senior team and key staff. This includes major compensation and incentive policies such as the contingent share awards, bonus, staff salary review and other incentive schemes. Two ERCC meetings were held in 2011.

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. Non-executive directors who served on the Board during 2011 will be remunerated about 70% of his total directors' fees in cash and about 30% of his total directors' fees in the form of shares in CapitaLand. The number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the 14 trading days immediately following the date of the AGM, rounded down to 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. Directors who are retiring or retired from the Board during 2011 will receive all of their directors' fees in cash. 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 CapitaLand which are received from CapitaLand in payment of his director's fee, worth up to one-time his annual basic retainer fee at all times during his board tenure. Details of the directors' remuneration are provided in the Other Information section of this Report ("Other Information") on pages 136 to 139. Directors' fees in aggregate for non-executive directors are subject to the approval of shareholders at the AGM.

The President & CEO as executive director does not receive director's fees. He is the lead member of Management. His compensation consists of his salary, allowances, bonuses and contingent share awards. The latter is conditional upon him and CapitaLand meeting certain performance targets. The details of his compensation package are provided in the Other Information on pages 136 to 139.

Key executives' compensations consist of salary, allowances, bonuses and contingent share awards. The latter is conditional upon them and CapitaLand meeting certain performance targets. A significant proportion of executives' remuneration is linked to company and individual performance in the form of share based and Economic Value Added based compensation. The Code requires a company to disclose the names of at least the top five key executives of the company. CapitaLand considers members of the Office of the President ("OPM") as its key executives. Currently, apart from the President & CEO who is the executive director, the other five members of the OPM are CapitaLand Chief Operating Officer Mr Lim Ming Yan, CapitaLand Chief Corporate Officer Ms Jennie Chua Kheng Yeng, CapitaLand Financial Limited CEO Mr Wen Khai Meng, CapitaLand Chief Investment Officer Mr Olivier Lim Tse Ghow and CapitaLand Group CFO Mr Arthur Lang Tao Yih (appointed to the OPM on 1 November 2011). Their remuneration in bands of S$250,000 are provided in the Other Information on page 139.

No employee of CapitaLand and its subsidiaries is an immediate family member of a director or the President & CEO and whose remuneration exceeded S$150,000 during the financial year 2011. "Immediate family member" means the spouse, child, adopted child, step-child, sibling and parent.

A separate remuneration report is not prepared as most of the information is found in the Other Information on pages 136 to 139.

Details of the employee share schemes are given in the Share Plans section of the Directors' Report on pages 145 to 151.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

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

Corporate Governance

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

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

Principle 11: Audit Committee
CapitaLand's internal policy requires the AC to have at least three members, all of whom are non-executive and the majority must be independent.

The AC is chaired by Mr Richard Edward Hale and comprises Mr James Koh Cher Siang, Mrs Arfat Pannir Selvam and Ms Euleen Goh Yiu Kiang (appointed on 15 October 2011). All the members of the AC, including the Chairman, are independent non-executive directors. The members bring with them invaluable managerial and professional expertise in the financial, tax, legal and accounting domains.

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

The AC reviews quarterly and full-year results and the appointment and re-appointment of auditors before recommending them to the Board for approval. The AC also approves the compensation of the external auditors, as well as considers the nature and extent of non-audit services and their potential impact on the independence and objectivity of the external auditors.

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

A total of six AC meetings was held in 2011. The AC also held one meeting with the external auditors and internal auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal control, and the significant comments and recommendations by the auditors.

Principle 12: Internal Controls
Principle 13: Internal Audit
CapitaLand believes that it has in place a robust and effective system of internal controls addressing financial, operational and compliance risks to safeguard shareholders' interests and the Group's assets, and also to manage risks.

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

The FBC is chaired by Mr Peter Seah Lim Huat and comprises Mr Liew Mun Leong, Prof Kenneth Stuart Courtis, Mr Ng Kee Choe (appointed on 1 December 2011) and Mr Arthur Lang Tao Yih, the Group CFO (appointed on 1 August 2011). The FBC reviews the annual budget and financial policies of the Group.

One FBC meeting was held in 2011 to review the financial forecasts and the annual financial plan of the Group. Major business events, initiatives, strategies and areas of concern were also discussed at the meetings. In addition, the FBC reviews and approves updates to the CapitaLand Group Finance Manual.

The RC was formed in September 2002 as part of CapitaLand's efforts to strengthen its risk management processes and framework. The RC is chaired by Mr James Koh Cher Siang and comprises Mr Richard Edward Hale and Mrs Arfat Pannir Selvam. A total of four RC meetings was held in 2011.

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

The Group has an Internal Audit Department ("CL IA") which reports directly to the Chairman of the AC and administratively to the Group CFO. CL IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval 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:
- Independence;
- Professional Proficiency;
- Scope of Work;
- Performance of Audit Work; and
- Management of the Internal Auditing Department.

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

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

CapitaLand has an established risk identification and management framework. In CapitaLand, risks are proactively identified and addressed. The ownership of these risks lies with the respective business and corporate executive heads with stewardship residing with the Board.

In 2011, CapitaLand with the assistance of an external consultant, KPMG Risk Consulting and with the participation of the business and corporate executive heads, carried out an exercise to consolidate and review the Group's risk register which identifies the key risks facing the Group and the internal controls in place to manage or mitigate those risks. Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the Group 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 the AC. The AC also reviewed the effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors. The system of internal control and risk management is continually being refined by Management, the AC and the Board.

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

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

(D) COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders
Principle 15: Greater Shareholder Participation
CapitaLand's Investor Relations and Corporate Communications departments facilitate effective communications with CapitaLand's shareholders, analysts, fund managers and the media.

CapitaLand's results for the first three quarters and full-year for financial year 2011 were all released on a timely basis, within 35 days of the end of the relevant quarter and 45 days of the end of the full year.

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

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

In 2011, Senior Management conducted more than 500 meetings with institutional investors. Management also participated in investor conferences in London, Amsterdam, Edinburgh, New York, Boston, Toronto, Montreal, Baltimore, Philadelphia, San Francisco, Frankfurt and Hong Kong besides Singapore. In addition, CapitaLand 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.

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

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

In 2011, CapitaLand was the winner of the Most Transparent Company (Property Category) in the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards for the 11th consecutive year. In addition, CapitaLand was named "Best Mixed-Use Developer in Asia" in Euromoney Real Estate Awards 2011, "Best Corporate Governance" and "Best Managed Company" in FinanceAsia Best Companies Poll 2011 and "Best Financial Disclosure (Singapore)" by World Finance Investor Relations Awards 2011. CapitaLand also won the Best Investor Relations (Real Estate including property development), Best CFO (Olivier Lim) for Singapore & Pan Asia and Best Investor Relations Professional (Harold Woo and Cheong Kwok Mun) by IR Magazine South East Asia Awards 2011 as well as the inaugural Best Investor Relations in ASEAN by Alpha Southeast Asia.

DEALINGS IN SECURITIES

Taking into consideration the SGX-ST Best Practices Guide, CapitaLand has issued guidelines to directors and employees in the Group, prohibiting dealings in CapitaLand's securities (i) while in possession of material unpublished price-sensitive information, (ii) during two weeks before the release of CapitaLand's results for the first three quarters and, (iii) one month before the release of CapitaLand's full-year results. They are also discouraged from dealing in CapitaLand's securities on short-term considerations.

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

Corporate Governance

Report for the period from 1 January 2011 to 31 December 2011

COMPOSITION OF BOARD AND BOARD COMMITTEES

Board Members	Audit Committee	Investment Committee	Executive Resource and Compensation Committee	Nominating Committee	Finance and Budget Committee	Corporate Disclosure Committee	Risk Committee
Dr Hu Tsu Tau		C					
Peter Seah Lim Huat			C	C	C		
Liew Mun Leong		M		M	M	M	
Jackson Peter Tai[1]		M			M		
Richard Edward Hale	C						M
James Koh Cher Siang	M					C	C
Arfat Pannir Selvam	M			M		M	M
Prof Kenneth Stuart Courtis		M			M		
Dr Fu Yuning							
John Powell Morschel[2]		M		M			
Ng Kee Choe[3]		M	M	M	M		
Simon Claude Israel		M	M	M			
Euleen Goh Yiu Kiang[4]	M						
Non-Board Members							
Olivier Lim Tse Ghow[5]		M			M		
Arthur Lang Tao Yih[6]		M			M		

Denotes: C – Chairman M – Member

Notes:

[1] *Retired as Director, Member of Investment Committee and Member of Finance and Budget Committee on 25 April 2011.*
[2] *Appointed as Member of Investment Committee on 1 June 2011.*
[3] *Appointed as Member of Investment Committee, Nominating Committee, and Finance and Budget Committee on 1 December 2011.*
[4] *Appointed as Director and Member of Audit Committee on 1 October 2011 and 15 October 2011 respectively.*
[5] *Resigned as Member of Investment Committee and Finance and Budget Committee on 31 July 2011.*
[6] *Appointed as Member of Investment Committee and Finance and Budget Committee on 1 August 2011.*

ATTENDANCE RECORD OF MEETINGS OF THE BOARD AND BOARD COMMITTEES IN 2011

	Board	Audit Committee	Investment Committee	Executive Resource and Compensation Committee	Nominating Committee	Finance and Budget Committee	Risk Committee
No. of Meetings Held	4	6	6	2	3	1	4
Board Members							
Dr Hu Tsu Tau	4		6				
Peter Seah Lim Huat	4			2	3	1	
Liew Mun Leong	4		6		3	1	
Jackson Peter Tai[1]	1		2			1	
Richard Edward Hale	3	4					3
James Koh Cher Siang	4	6					4
Arfat Pannir Selvam	4	6			3		4
Prof Kenneth Stuart Courtis	4		6			1	
Dr Fu Yuning	2						
John Powell Morschel[2]	4		2		3		
Ng Kee Choe[3]	4			2			
Simon Claude Israel	4		5	2	3		
Euleen Goh Yiu Kiang[4]	1	2					
Non-Board Members							
Olivier Lim Tse Ghow[5]			4			1	
Arthur Lang Tao Yih[6]			2				

Notes:

[1] *Retired as Director, Member of Investment Committee and Member of Finance and Budget Committee on 25 April 2011.*
[2] *Appointed as Member of Investment Committee on 1 June 2011.*
[3] *Appointed as Member of Investment Committee, Nominating Committee, and Finance and Budget Committee on 1 December 2011.*
[4] *Appointed as Director and Member of Audit Committee on 1 October 2011 and 15 October 2011 respectively.*
[5] *Resigned as Member of Investment Committee and Finance and Budget Committee on 31 July 2011.*
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Council of CEOs



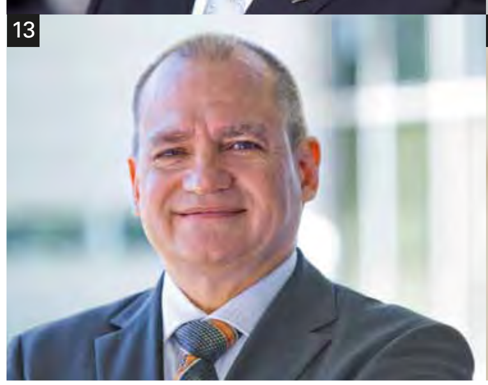
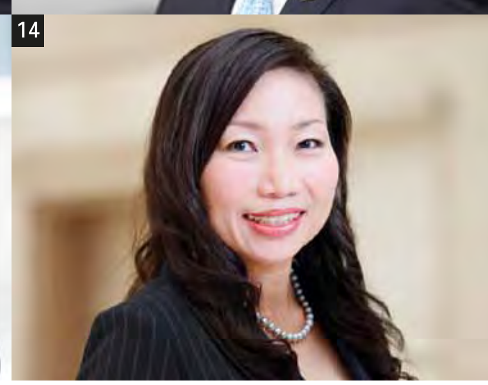




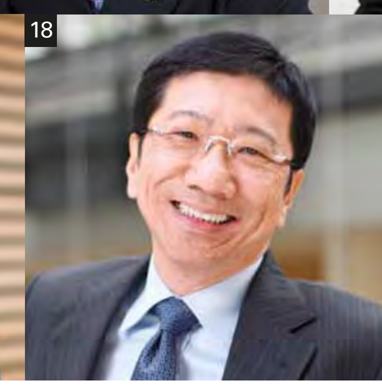
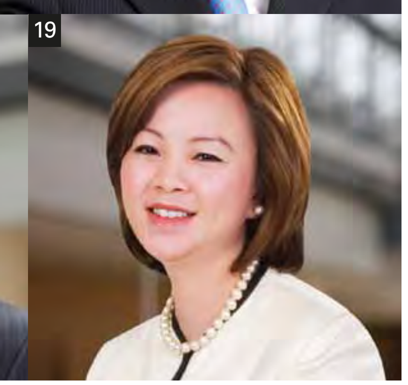








1 **LIEW MUN LEONG**
PRESIDENT & CEO
CAPITALAND GROUP

2 **JENNIE CHUA**
CHIEF CORPORATE OFFICER
CAPITALAND LIMITED

3 **LIM MING YAN**
CHIEF OPERATING OFFICER
CAPITALAND LIMITED
CEO
THE ASCOTT LIMITED
(Until 5 February 2012)

4 **WEN KHAI MENG**
CEO
CAPITALAND FINANCIAL LIMITED
CHIEF INVESTMENT OFFICER
CAPITALAND LIMITED
(Until 5 February 2012)

5 **OLIVIER LIM**
CHIEF INVESTMENT OFFICER
CAPITALAND LIMITED
(From 6 February 2012)
HEAD OF STRATEGIC CORPORATE DEVELOPMENT
CAPITALAND LIMITED
(Until 5 February 2012)

6 **ARTHUR LANG**
GROUP CHIEF FINANCIAL OFFICER
CAPITALAND LIMITED

7 **WONG HEANG FINE**
CEO
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD
CEO
CAPITALAND ILEC PTE. LTD.

8 **JASON LEOW**
CEO
CAPITALAND CHINA HOLDINGS PTE LTD

9 **LIM BENG CHEE**
CEO
CAPITAMALLS ASIA LIMITED

10 **CHONG LIT CHEONG**
CEO
CAPITALAND COMMERCIAL LIMITED

11 **CHEN LIAN PANG**
CEO
CAPITAVALUE HOMES LIMITED

12 **CHONG KEE HIONG**
CEO
THE ASCOTT LIMITED
(From 6 February 2012)
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(Until 5 February 2012)

13 **BOB JOHNSTON**
MANAGING DIRECTOR & CEO
AUSTRALAND PROPERTY GROUP

14 **LYNETTE LEONG**
CEO
CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED

15 **SIMON HO**
CEO
CAPITAMALL TRUST MANAGEMENT LIMITED

16 **RONALD TAY**
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(From 27 February 2012)
CHIEF INVESTMENT OFFICER
THE ASCOTT LIMITED
(Until 5 February 2012)

17 **TONY TAN TEE HIEONG**
CEO
CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED

18 **CHAN SAY YEONG**
CEO
QUILL CAPITA MANAGEMENT SDN. BHD.

19 **SHARON LIM HWEE LI**
CEO
CAPITAMALLS MALAYSIA REIT MANAGEMENT SDN. BHD.

Council of CEOs

LIEW MUN LEONG

PRESIDENT & CEO, CAPITALAND GROUP

Mr Liew Mun Leong is President & CEO of CapitaLand Group. He joined the Board of Pidemco Land as Director on 1 January 1997. Pidemco Land merged with DBS Land to form CapitaLand in November 2000. Mr Liew continued to serve on the CapitaLand Board and was last re-elected as Director at CapitaLand's Annual General Meeting on 16 April 2010. He also serves as Member of CapitaLand's Investment Committee, Nominating Committee, Corporate Disclosure Committee and Finance and Budget Committee.

Mr Liew is Chairman of CapitaMalls Asia Limited (listed on the SGX-ST and Hong Kong Stock Exchange), CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Financial Limited, CapitaValue Homes Limited and CapitaLand ILEC Pte. Ltd..

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

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

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

Mr Liew has spent 22 years in the public sector and another 20 years in the private sector in various leadership positions.

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

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

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

JENNIE CHUA

CHIEF CORPORATE OFFICER, CAPITALAND LIMITED

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

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

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

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

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

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

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

LIM MING YAN

CHIEF OPERATING OFFICER, CAPITALAND LIMITED
CEO, THE ASCOTT LIMITED
(Until 5 February 2012)

Mr Lim Ming Yan is the Chief Operating Officer of CapitaLand Limited. He is also the Deputy Chairman of CapitaLand China Executive Committee. Mr Lim was concurrently the CEO of The Ascott Limited until 5 February 2012.

Prior to joining Ascott, Mr Lim was the CEO of CapitaLand China Holdings Pte Ltd, responsible for growing CapitaLand into a leading foreign real estate developer in China.

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

Mr Lim graduated from the University of Birmingham, United Kingdom, with a Bachelor of Science (First Class Honours) in Mechanical Engineering and Economics. He attended the Advanced Management Program at Harvard Business School in 2002.

WEN KHAI MENG

CEO, CAPITALAND FINANCIAL LIMITED
CHIEF INVESTMENT OFFICER, CAPITALAND LIMITED
(Until 5 February 2012)

Mr Wen Khai Meng is the Chief Executive Officer of CapitaLand Financial Limited. He is also a Non-Executive Director of CapitaCommercial Trust Management Limited, Ascott Residence Trust Management Limited and Quill Capita Management Sdn. Bhd.

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

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

OLIVIER LIM

CHIEF INVESTMENT OFFICER, CAPITALAND LIMITED
(From 6 February 2012)
HEAD OF STRATEGIC CORPORATE DEVELOPMENT, CAPITALAND LIMITED
(Until 5 February 2012)

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

He was CapitaLand's Group CFO for six years until 2011. Prior to joining CapitaLand Limited in 2003, he was Director and Head of the Real Estate Unit, Corporate Banking in Citibank Singapore.

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

Council of CEOs

ARTHUR LANG

GROUP CHIEF FINANCIAL OFFICER, CAPITALAND LIMITED

Mr Arthur Lang is the Group Chief Financial Officer of CapitaLand Limited having started with the Group on August 1, 2011.

Prior to joining CapitaLand, he was co-head of the Southeast Asia Investment Banking Division for Morgan Stanley. In that capacity, he spearheaded the client coverage and transaction execution efforts across corporate finance, and mergers and acquisitions transactions for Southeast Asian companies. Prior roles Mr Lang held at Morgan Stanley included the Chief Operating Officer for the Asia Pacific Investment Banking Division where he was based in Hong Kong.

Mr Lang is also currently a board member of the Land Transport Authority of Singapore.

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

WONG HEANG FINE

CEO, CAPITALAND RESIDENTIAL SINGAPORE PTE LTD
CEO, CAPITALAND ILEC PTE. LTD.

Mr Wong Heang Fine is the CEO of CapitaLand Residential Singapore Pte Ltd and the CEO of CapitaLand ILEC Pte. Ltd. He is also in charge of CapitaLand's business in the Gulf Cooperation Council (GCC) region. In 2011, Mr Wong was appointed President of the Real Estate Developers' Association of Singapore (REDAS).

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

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

JASON LEOW

CEO, CAPITALAND CHINA HOLDINGS PTE LTD

Mr Jason Leow is the CEO of CapitaLand China Holdings Pte Ltd.

Mr Leow has been with the CapitaLand Group from 1994 and has over 17 years of working experience in China. He has held several appointments within the CapitaLand Group, including Deputy CEO of CapitaLand China Holdings.

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

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

LIM BENG CHEE

CEO, CAPITAMALLS ASIA LIMITED

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

Mr Lim previously held various positions within the CapitaLand Group of companies, including CEO of CapitaMall Trust Management Limited and CapitaRetail China Trust Management Limited. He played an instrumental role in the creation of CMA's retail real estate funds and listings of CapitaRetail China Trust and CapitaMalls Malaysia Trust.

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

CHONG LIT CHEONG

CEO, CAPITALAND COMMERCIAL LIMITED

Mr Chong Lit Cheong is the CEO of CapitaLand Commercial Limited. In 2012 he is appointed as Director of Surbana Corporation Pte Ltd (Surbana), a 40%-owned associate company of CapitaLand.

Prior to joining the Group, Mr Chong was the CEO of International Enterprise Singapore, an agency under Singapore's Ministry of Trade and Industry which promotes the overseas growth of Singapore-based enterprises and international trade. Prior to that, he was the CEO of JTC Corporation and Managing Director of National Science and Technology Board (now called A*STAR). Earlier, he served in Singapore's Economic Board where he was posted to Suzhou, China, to lead the development of the China-Singapore Suzhou Industrial Park project.

Mr Chong is a Mombusho (Colombo Plan) Scholar and holds a Bachelor of Engineering (Electronic) from the University of Tokyo. He also completed an Advanced Management Programme at INSEAD in France in 1994 and the Tsinghua Executive Program in Shanghai, China, in 2004.

CHEN LIAN PANG

CEO, CAPITAVALUE HOMES LIMITED

Mr Chen Lian Pang is the CEO of CapitaValue Homes Limited. Prior to this, he was concurrently the CEO (Southeast Asia) of CapitaLand Commercial Limited and CEO & Managing Director of TCC Capital Land where he spearheaded the Group's business in the new markets including Vietnam and Thailand.

Mr Chen has 28 years of international experience in construction and real estate. He started his career with the Housing and Development Board of Singapore. Prior to joining CapitaLand, he held senior positions at L&M International and Torie Construction Pte Ltd.

Mr Chen holds a Master of Science in Civil Engineering from the National University of Singapore and a Bachelor of Science in Civil Engineering (First Class Honours) from the University of Cardiff, UK. He completed the General Management Program at Harvard Business School and an International Business Fellowship Executive Programme with Tsinghua University in 2000 and 2011 respectively. Mr Chen is a registered professional engineer.

CHONG KEE HIONG

CEO, THE ASCOTT LIMITED
(From 6 February 2012)
CEO, ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(Until 5 February 2012)

Mr Chong Kee Hiong was the CEO of Ascott Residence Trust Management Limited from March 2006 to February 2012. Mr Chong has assumed the position of CEO of The Ascott Limited with effect from 6 February 2012. Before joining Ascott, Mr Chong was the Chief Financial Officer of Raffles Holdings Limited.

Mr Chong is the President of the General Committee of Orchid Country Club and is a Director of SLF Leisure Enterprises (Pte) Ltd and Pasir Ris Resort Pte Ltd. He also sits on the Audit Committee of Sentosa Development Corporation.

Mr Chong holds a Bachelor of Accountancy degree from the National University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore. He completed Harvard Business School's Advanced Management Program in 2008.

BOB JOHNSTON

MANAGING DIRECTOR AND CEO,
AUSTRALAND PROPERTY GROUP

Mr Bob Johnston is the Managing Director and CEO of Australand Property Group. He joined Australand in August 2007 and has in excess of 20 years of experience in the property industry.

Prior to joining Australand, Mr Johnston held a number of senior management positions with the Lend Lease Group in the USA, UK, Asia and Australia including that of Global CEO of Bovis Lend Lease, CEO of Bovis Lend Lease Asia Pacific and COO of Lend Lease Real Estate Investments in the USA.

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

Council of CEOs

LYNETTE LEONG

CEO, CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED

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

Ms Leong has more than 20 years of international experience, including banking and finance with Standard Chartered Bank and United Malayan Banking Corporation Berhad in Singapore and Malaysia, and real estate fund management in the London, New York, Chicago and Asian offices of LaSalle Investment Management. Prior to joining CCTML, Ms Leong was the CEO of Ascendas' South Korea office where she had spearheaded Ascendas' strong foothold in the country's real estate market, including the acquisition of office and logistics properties and the establishment of its first real estate fund.

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

SIMON HO

CEO, CAPITAMALL TRUST MANAGEMENT LIMITED

Mr Simon Ho is the CEO and Executive Director of CapitaMall Trust Management Limited.

Mr Ho joined CapitaLand Financial Limited, a subsidiary of CapitaLand Limited (CL), the parent company of CMA in 2004 and has around 20 years of experience in real estate investment and management. He is currently responsible for managing the operations of 16 retail properties in Singapore.

Prior to joining CapitaLand Financial Limited in 2004, Mr Ho worked in the Ascott Group from 2000 to 2004, holding various positions including Vice President, Business Development and Senior Vice President, Operations. As Senior Vice President in CapitaLand Financial Limited, he was in charge of research and marketing. In September 2004, Mr Ho was appointed Chief Operating Officer, Retail of CapitaLand Commercial Limited, another subsidiary of CL, where he was responsible for overseeing the operations of the company. He was the Chief Operating Officer of CMA from October 2004 to December 2008 before being appointed as the Deputy Chief Executive Officer of CMA in January 2009 and had stepped down upon the listing of CMA on the SGX-ST, he assumed his current position as Chief Executive Officer and Executive Director of CMTML.

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

RONALD TAY

CEO, ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(From 27 February 2012)
CHIEF INVESTMENT OFFICER, THE ASCOTT LIMITED
(Until 5 February 2012)

Mr Tay is the Chief Executive Officer of Ascott Residence Trust Management Limited (ARTML) with effect from 27 February 2012. He was concurrently Chief Investment Officer of The Ascott Limited (Ascott) and Head of Business Development and Asset Management of ARTML until February 2012.

Mr Tay has been with the CapitaLand Group for more than 10 years. Prior to joining Ascott, Mr Tay was with CapitaLand Residential Singapore as Senior Vice President (Finance and Investment). Mr Tay began his career in the banking industry, where he spent nine years in various senior positions in corporate and investment banking.

Mr Tay holds a Bachelor of Business (Honours) from the Nanyang Technological University.

TONY TAN TEE HIEONG

CEO, CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED

Mr Tony Tan Tee Hieong is the CEO and Executive Director of CapitaRetail China Trust Management Limited (CRCTML).

Mr Tan has over 19 years of experience in international treasury, finance and risk management. Prior to joining CRCTML, Mr Tan was with IKEA for more than nine years, where he held positions as Treasurer and Finance Manager for Asia Pacific region. During those tenures, he also concurrently sat on IKEA's finance committee for Asia Pacific that oversaw the group's strategic finance and tax matters. His other experiences prior to joining IKEA include Treasury Accountant for Wearnes International, the trading and distribution arm of WBL and various trading positions with international banks.

Mr Tan holds a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom, and a Bachelor of Accountancy degree from the National University of Singapore.

CHAN SAY YEONG

CEO, QUILL CAPITA MANAGEMENT SDN. BHD.

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

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

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

SHARON LIM HWEE LI

CEO, CAPITAMALLS MALAYSIA REIT MANAGEMENT SDN. BHD.

Ms Sharon Lim Hwee Li is the CEO and Executive Director of CapitaMalls Malaysia REIT Management Sdn. Bhd., the manager of CapitaMalls Malaysia Trust. Ms Lim has experience in property investment, asset management and marketing in various property sectors.

Prior to her current position, Ms Lim was Country Head for CapitaMalls Asia Limited's (CMA) operations in Malaysia, and was instrumental in establishing CMA's retail platform in Malaysia.

She holds a Master of Business Administration from Murdoch University, Australia and a Bachelor of Business (Distinction) from the Royal Melbourne Institute of Technology, Australia.

Corporate Office

1 **LIEW MUN LEONG**
PRESIDENT & CEO

2 **JENNIE CHUA**
CHIEF CORPORATE OFFICER

3 **LIM MING YAN**
CHIEF OPERATING OFFICER
CEO
THE ASCOTT LIMITED
(Until 5 February 2012)

4 **WEN KHAI MENG**
CEO
CAPITALAND FINANCIAL LIMITED
CHIEF INVESTMENT OFFICER
(Until 5 February 2012)

5 **OLIVIER LIM**
CHIEF INVESTMENT OFFICER
(From 6 February 2012)
HEAD
STRATEGIC CORPORATE DEVELOPMENT
(Until 5 February 2012)

6 **ARTHUR LANG**
GROUP CHIEF FINANCIAL OFFICER

7 **TAN SENG CHAI**
DEPUTY CHIEF CORPORATE OFFICER

8 **ANTHONY SEAH**
CHIEF OF TECHNICAL SERVICES

9 **POON HIN KONG**
CHIEF OF DESIGN REVIEW UNIT

10 **LEONG SOON PENG**
CHIEF TECHNOLOGY OFFICER

11 **LORNA TAN**
SENIOR VICE PRESIDENT
CORPORATE COMMUNICATIONS

12 **HAROLD WOO**
SENIOR VICE PRESIDENT
INVESTOR RELATIONS

13 **LOW SAI CHOY**
SENIOR VICE PRESIDENT
LEGAL/COMPANY SECRETARY

14 **HUBERT LADSTATTER**
SENIOR VICE PRESIDENT
RISK MANAGEMENT

15 **BELINDA GAN**
GROUP FINANCIAL CONTROLLER

16 **LEOW SIEW BENG**
SENIOR VICE PRESIDENT
HUMAN RESOURCE (ORGANISATIONAL DEVELOPMENT)

17 **ANNA CHOO**
SENIOR VICE PRESIDENT
TREASURY

18 **TING TONG KOI**
SENIOR VICE PRESIDENT
OPERATIONS COMPLIANCE UNIT

19 **LIM SOO GEE**
HEAD
CORPORATE SECURITY AND INVESTIGATION

NOT PHOTOGRAPHED

- **SHARON SNG**
  SENIOR VICE PRESIDENT
  CORPORATE FINANCE
- **BOAZ BOON**
  SENIOR VICE PRESIDENT
  RESEARCH
- **ANGELINE OH**
  SENIOR VICE PRESIDENT
  HUMAN RESOURCE
  (From 6 February 2012)
- **LEE TIONG PENG**
  SENIOR VICE PRESIDENT
  CAPITALAND INSTITUTE OF MANAGEMENT AND BUSINESS
- **MONICA CHIA**
  SENIOR VICE PRESIDENT
  GROUP INTERNAL AUDIT
- **CHYE MOI JUNE**
  HEAD
  GROUP TAX
- **ANDRE LIM**
  VICE PRESIDENT
  CORPORATE PLANNING/ ECONOMICS UNIT
- **TAN BEE LENG**
  VICE PRESIDENT
  CORPORATE MARKETING & CORPORATE SOCIAL RESPONSIBILITY

Global Presence

Asia Pacific

AUSTRALIA
- Adelaide
- Brisbane
- Hobart
- Melbourne
- Perth
- Sydney

CHINA
- Anyang
- Beijing
- Changsha
- Chengdu
- Chongqing
- Dalian
- Deyang
- Dongguan
- Foshan
- Guangzhou
- Harbin
- Hangzhou
- Hong Kong
- Huhhot
- Kunshan
- Macau
- Maoming
- Mianyang
- Nanchang
- Ningbo
- Quanzhou
- Rizhao
- Shanghai
- Shenyang
- Shenzhen
- Suzhou
- Tianjin
- Weifang
- Wuhan
- Wuhu
- Xi'an
- Xiamen
- Xinxiang
- Yangzhou
- Yibin
- Yiyang
- Zhangzhou
- Zhanjiang
- Zhaoqing
- Zhengzhou
- Zibo

INDIA
- Ahmedabad
- Bangalore
- Chennai
- Cochin
- Hyderabad
- Jalandhar
- Mangalore
- Mumbai
- Mysore
- Nagpur
- Udaipur

INDONESIA
- Bali
- Jakarta
- Surabaya

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

MALAYSIA
- Cyberjaya
- Kuala Lumpur
- Kuantan
- Kuching
- Nusajaya
- Penang
- Selangor

PHILIPPINES
- Manila

SINGAPORE

SOUTH KOREA
- Seoul

THAILAND
- Bangkok

VIETNAM
- Danang
- Hai Phong
- Hanoi
- Ho Chi Minh City

Europe

BELGIUM
- Brussels

FRANCE
- Aix-en-Provence
- Bordeaux
- Cannes
- Ferney-Voltaire
- Grenoble
- Lille
- Lyon
- Marseille
- Montpellier
- Nice
- Paris
- Strasbourg
- Toulouse

GEORGIA
- Tbilisi

GERMANY
- Berlin
- Frankfurt
- Hamburg
- Munich

SPAIN
- Barcelona

UNITED KINGDOM
- London

Gulf Cooperation Council Countries

BAHRAIN
- Manama

OMAN
- Muscat

QATAR
- Doha

UNITED ARAB EMIRATES
- Abu Dhabi
- Dubai

Presence in more than 110 cities in over 20 countries

Strategic Focus

3+3+2
market strategy

- **3 Core Markets**
  – Singapore, China and Australia
- **3 Secondary Markets**
  – Europe[1], Malaysia and Vietnam
- **2 Opportunistic Markets**
  – Japan and India

[1] *Serviced residences only*

Performance Overview

PERFORMANCE OVERVIEW

CapitaLand Group achieved a profit after tax and non-controlling interests (PATMI) of S$1.06 billion for the full year ended 2011, despite a challenging business environment clouded by global economic uncertainties and government policy restrictions on the property market. This marks the sixth consecutive year that the Group has achieved a net profit in excess of S$1 billion.

The Group continued to ramp up its investments in 2011, committing a total of S$11 billion of new investments. This followed a commitment of approximately S$6 billion worth of investments made in the previous year. We successfully secured a number of sites and made acquisitions in both our core markets of Singapore and China to further strengthen our presence in these markets.

In Singapore, we acquired the Marine Point site through an en bloc sale and were awarded the Bishan Central site (Sky Habitat) through a government land sales tender. These two sites could potentially add 650 units to our Singapore residential pipeline. On the commercial front, we also successfully bided for a prime site, Westgate (Jurong Gateway site), which will be developed into a mixed development comprising both retail and office spaces. In line with our active portfolio management, we will re-develop Market Street Car Park into a prime Grade A office tower, named CapitaGreen. This, together with Westgate, will increase our office footprint in the Singapore Central Business District and commercial hubs located near transportation nodes, thus further entrenching our presence in the Singapore office sector. The Group also acquired a 40% strategic stake in Surbana Corporation (Surbana) to complement and accelerate the growth of our value housing initiative by leveraging on Surbana's expertise, particularly on its consultancy services and large scale mass market residential developments. Besides adding a full suite of consultancy services to CapitaLand, this acquisition also increased our presence in China through the various townships owned and developed by Surbana.

Over in China, CapitaLand was awarded the prime Chao Tian Men site located in the heart of Yuzhong District in Chongqing through a joint tender with our subsidiary, CapitaMalls Asia, and a related party. This site, which will be developed into a landmark mixed development including a shopping mall and eight towers for residential, office, serviced residence and hotel use, will substantially strengthen our foothold in China. The plan is to develop this into our signature Raffles City project, making it the 8th Raffles City development in China. The other Raffles City projects in China are in Shanghai, Beijing, Chengdu, Hangzhou, Ningbo, Shenzhen and Changning. To further increase residential development pipeline, CapitaLand China Holdings increased its stake in a prime site in Panyu, Guangzhou and acquired another site in Hangzhou while CapitaValue Homes, our new business unit which was set up in October 2010, acquired one site each in Guangzhou and Shanghai. During the year, CapitaMalls Asia acquired four malls located in key Chinese cities, raising its number of malls in China to 56. In October 2011, CapitaMalls Asia successfully launched a secondary listing in Hong Kong. The dual listing complements CapitaMalls Asia's growth strategy in China and further enhances its capital management flexibility with a broadened investor base.

In Australia, our listed subsidiary, Australand, established a logistics joint venture with the Government Investment Corporation of Singapore; targeting total investment of A$450 million. The joint venture will invest in completed product sourced from Australand's development pipeline. Australand also continued to take steps to secure medium term earnings through the acquisition of several sites including Clemton Park, Ashlar and Eastern Creek in Sydney, and Sunbury and Laverton in Melbourne.

For the year under review, the Group launched a number of residential projects both in Singapore and China, the most notable of which was the launch of the Bedok Residences in Singapore which attracted very strong demand. The project was very well-received with more than 80% sold since the launch. In China, new launches included the Imperial Bay in Hangzhou, Dolce Vita in Guangzhou, Paragon in Shanghai and International Trade Centre in Tianjin. These are in addition to the release of new units of existing projects.

A total of 844 residential units (sales value of S$1.35 billion) were sold in Singapore and another 1,500 residential units (sales value of RMB 3.1 billion) were sold in China. This was achieved amidst the economic uncertainties and cooling measures imposed in the residential property market. In Australia, the Residential division of Australand delivered 2,536 lot sales in 2011 while the Commercial & Industrial division successfully completed 13 industrial projects with a combined end value of approximately A$300 million. The Group also completed its maiden projects in Vietnam and Abu Dhabi during the year. Beyond the residential sector, CapitaMalls Asia opened three malls in China and one in India while Ascott secured a total of 25 management contracts covering Asia, Europe and the Middle East. Ascott opened seven new serviced residences in 2011 and plans to expand in various cities globally through active acquisitions of properties and securing more management contracts.

As part of the Group's capital recycling strategy, CapitaLand China Holdings divested a residential site in Guangnan and a plot of land in Zhabei, both in Shanghai. CapitaLand Commercial also reconstituted its portfolio by divesting its non-core asset, Corporation Place. Ascott, our serviced residence arm, successfully injected New Minzhong Leyuan Mall into CapitaRetail China Trust and Ascott Beijing into Ascott Serviced Residence (China) Fund.

In terms of financial performance, the Group's PATMI was S$1.06 billion. This was comparatively lower than FY2010's restated[1] PATMI of S$1.43 billion, mainly attributable to lower development profits and portfolio gains, but partially mitigated by higher fair value gains of investment properties. In 2011, there was a change in accounting standard which resulted in the Group's development profits for overseas projects being recognised on a completion basis instead of a progressive basis. This has resulted in lumpy profit recognition, thereby creating more volatility in the financial results.

The Group's two listed subsidiaries, CapitaMalls Asia and Australand, have performed well in their respective sectors in 2011, delivering profits of S$456.0 million and A$140.6 million respectively to their shareholders.

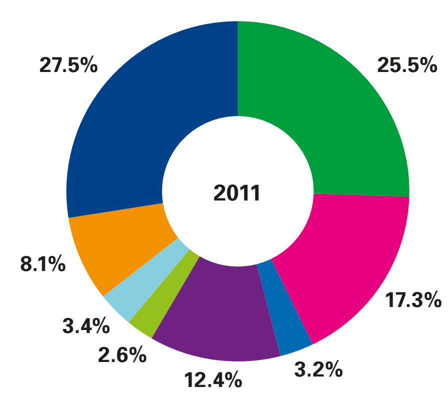
REVENUE

Revenue for FY2011 was S$3.02 billion which was 11% lower than FY2010. The decrease was attributable to lower revenue from our development projects, lower rental revenue from the shopping mall and serviced residence businesses partially mitigated by higher fee-based revenue.

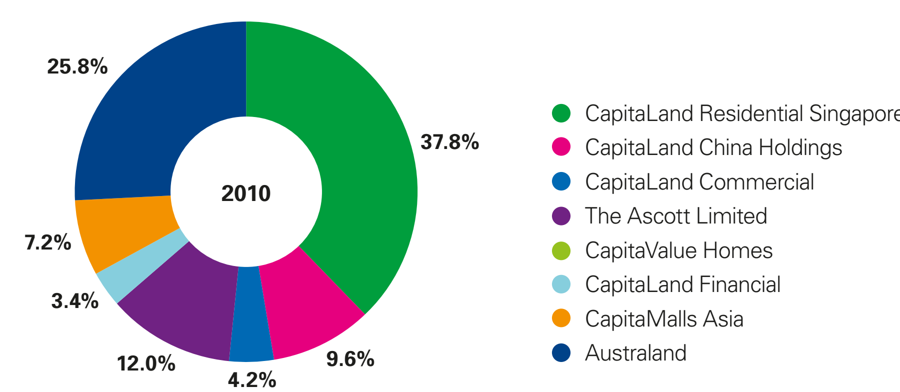
Geographically, revenue from our overseas operations made up 64% or S$1.94 billion of the Group's revenue. Revenue from the Group's three core markets of Singapore, China and Australia accounted for 87% or S$2.63 billion of the Group's revenue (FY2010: 89% or S$3.02 billion).

[1] *Revenue recognition on development projects was revised following the adoption of INT FRS 115 Agreement for the Construction of Real Estate which was effective on 1 January 2011.*

2011 REVENUE BY STRATEGIC BUSINESS UNIT
Total: S$3.02 billion



2010 REVENUE BY STRATEGIC BUSINESS UNIT (RESTATED)
Total: S$3.38 billion



Performance Overview

Revenue from CapitaLand Residential Singapore saw a 40% decrease to S$774.1 million when compared to the restated FY2010 figures. This was because revenue from units sold under the deferred payment scheme from The Seafront on Meyer and Latitude was recognised in its entirety in FY2010 under INT FRS 115. In FY2011, revenue comprised mainly progressive revenue recognition from The Interlace, The Wharf Residence and Urban Resort Condominium, as well as sales of remaining completed units in Latitude.

Revenue from CapitaLand China Holdings grew by 61% to S$526.6 million on the back of higher sales revenue from The Metropolis in Shanghai as well as three Foshan projects, namely, Beau Residences, The Riviera and Riverside Ville. In 2011, CapitaLand China Holdings delivered approximately 3,300 units to home buyers.

CapitaLand Commercial saw a decline in revenue to S$96.7 million as FY2010 included the recognition of a one-off deferred income in respect of Citadines Mount Sophia. Revenue was also lower following the divestment of The Adelphi in January 2011, but partially mitigated by revenue contribution from the Storhub self-storage business which was acquired in July 2010.

Revenue from Ascott fell by 7% to S$377.5 million mainly due to the absence of revenue from the serviced residence properties that had been divested to Ascott Residence Trust last year.

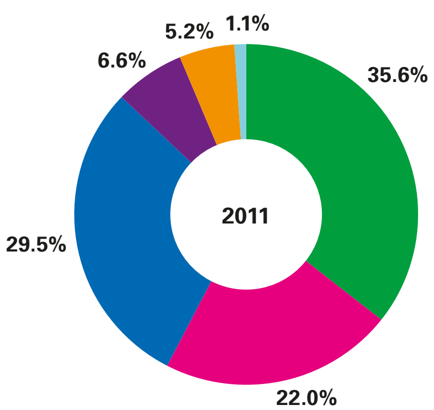
CapitaValue Homes recorded revenue of S$80.3 million in 2011 and this was attributable to revenue recognised for The Vista in Vietnam following its completion in the year. In 2011, 347 units of The Vista were handed over to the home buyers.

Revenue for CapitaLand Financial decreased by 11% to S$103.3 million due to lower acquisition and divestment fees. In FY2010, revenue was boosted by acquisition fees in respect of the injection of 28 serviced residence properties into Ascott Residence Trust and divestment fees in respect of the sale of Starhub Centre and Robinson Point by CapitaCommercial Trust and the sale of Ascott Beijing by Ascott Residence Trust.

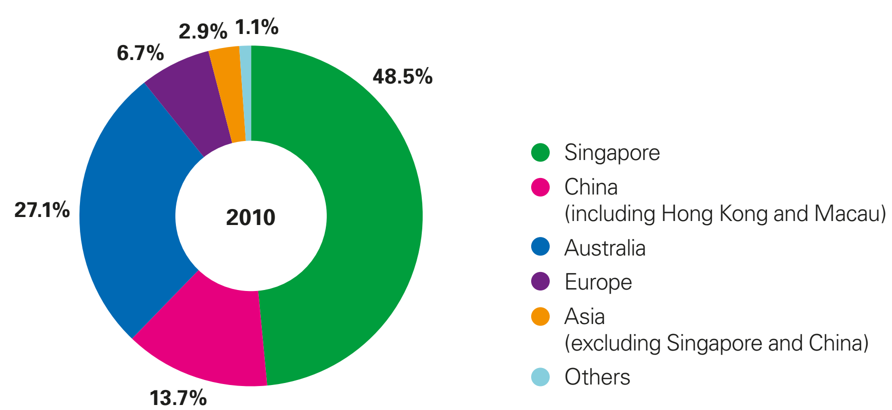
CapitaMalls Asia's revenue for FY2011 was comparable to FY2010 despite the loss of contribution from three Malaysia malls and Clarke Quay that were divested to the REITs in 2010. This was due to rental revenue from the newly acquired Queensbay Mall in Malaysia, higher contributions from the fund management entities and higher property and project management fees.

Australand's revenue decreased by 8% as it recorded lower sales from development projects, but this decrease was partially mitigated by higher rental income from investment properties.

2011 REVENUE BY GEOGRAPHICAL LOCATION
Total: S$3.02 billion



2010 REVENUE BY GEOGRAPHICAL LOCATION (RESTATED)
Total: S$3.38 billion



EARNINGS ANALYSIS

In FY2011, the Group achieved earnings before interest and tax (EBIT) of S$2.09 billion. This was 19% lower than FY2010's restated EBIT of S$2.58 billion due to lower development profits and portfolio gains, partially mitigated by higher fair value gains from the revaluation of investment properties.

In terms of geographic spread, overseas EBIT constituted 58% of the Group's total EBIT. EBIT from our core markets of Singapore, China and Australia totalled S$2.03 billion in FY2011, accounting for 97% of the Group's total EBIT.

EBIT contribution from CapitaLand Residential Singapore decreased by 36% to S$327.4 million due mainly to the restatement of prior year EBIT as required under the new accounting standard INT FRS 115. In FY2010, the EBIT was boosted by significant contributions from units sold under The Seafront on Meyer and Latitude which were on deferred payment scheme and hence its revenue and profit were recognised in its entirety on the projects' completion in 2010.

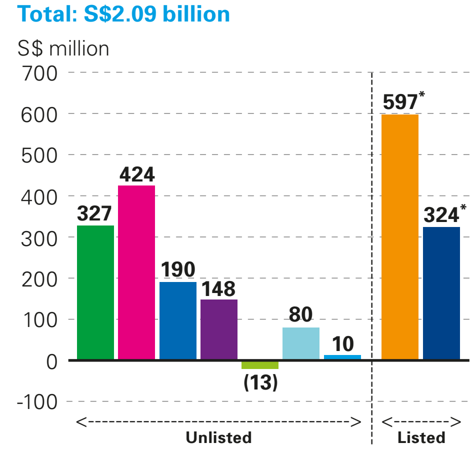
CapitaLand China Holdings registered an EBIT of S$423.7 million which was 35% lower than last year due to lower fair value gains from the revaluation of its investment properties and lower divestment gains, partially mitigated by higher development profits.

EBIT from CapitaLand Commercial was S$189.6 million. This was 24% lower than the EBIT of S$250.2 million achieved in FY2010 mainly due to lower contribution from a joint venture in Thailand that was divested in April 2011, lower gains from divestments as well as foreign exchange losses; partially mitigated by lower impairment losses.

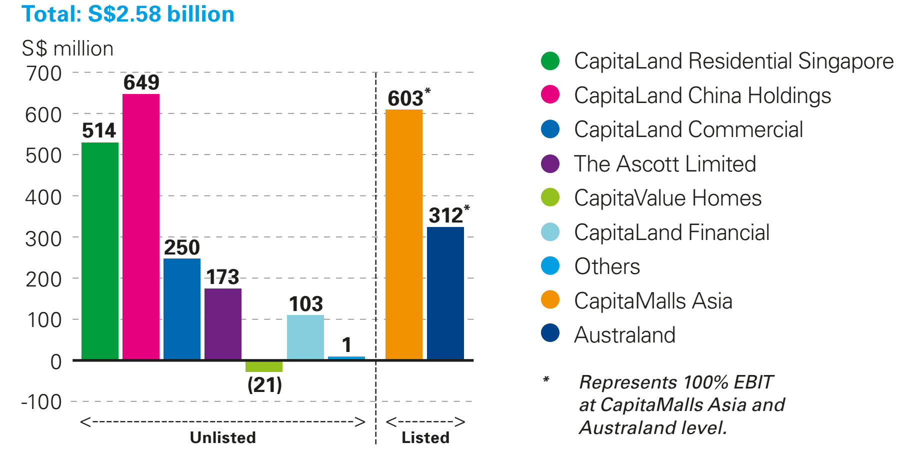
Ascott registered an EBIT of S$148.4 million in FY2011 as compared to S$173.0 million in FY2010. The lower EBIT was mainly attributable to lower portfolio gains, partly offset by higher share of fair value gains from the revaluation of investment properties held by Ascott Residence Trust and Ascott Serviced Residence (China) Fund.

CapitaValue Homes posted a lower loss of S$12.9 million in FY2011 vis a vis a loss of S$20.5 million in FY2010. The improvement was mainly due to profit recognition for The Vista, partially offset by higher administrative expenses to start up business in China as well as its share of loss from a joint venture.

2011 EBIT BY STRATEGIC BUSINESS UNIT
Total: S$2.09 billion



2010 EBIT BY STRATEGIC BUSINESS UNIT (RESTATED)
Total: S$2.58 billion



Performance Overview

EBIT for CapitaLand Financial saw a decrease of 22% to S$80.0 million primarily due to lower acquisition and divestment fees.

CapitaMalls Asia recorded an EBIT of S$597.0 million which was marginally lower than FY2010's EBIT of S$603.4 million. This was due to lower development profits, provision for Hong Kong listing expenses and higher staff costs offset by higher fair value gains on investment properties. In FY2010, CapitaMalls Asia's development profits were boosted by its share of profits of The Orchard Residences as profits from units sold under the deferred payment scheme for this project were recognised in full in FY2010.

Australand achieved an EBIT of S$324.2 million in FY2011 as compared to S$311.9 million in FY2010. The increase was mainly attributable to higher fair value gains from the revaluation of its investment properties coupled with a favourable Australian dollar exchange rate against the Singapore dollar, but partly offset by a write down in the value of certain development projects, mainly in Queensland.

Others comprised the corporate office, Surbana and businesses in Gulf Cooperation Council countries. EBIT in FY2011 amounted to S$9.2 million, mainly attributable to the Group's share of development profits from Rihan Heights, a project held by an associate in Abu Dhabi, partially offset by higher share of impairment loss for an associate in Bahrain.

DIVIDENDS

The Board of Directors is pleased to propose a first and final dividend of 8.0 cents per share, comprising an ordinary dividend of 6.0 cents per share and a special dividend of 2.0 cents per share in respect of the financial year ended 31 December 2011. This amounts to a payout of approximately S$339.5 million based on the number of issued shares (excluding 25,209,000 treasury shares) as at 31 December 2011. The dividends are subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

For FY2010, a first and final dividend of 6.0 cents per share were approved and paid. The said dividends of S$256.2 million were paid in May 2011.

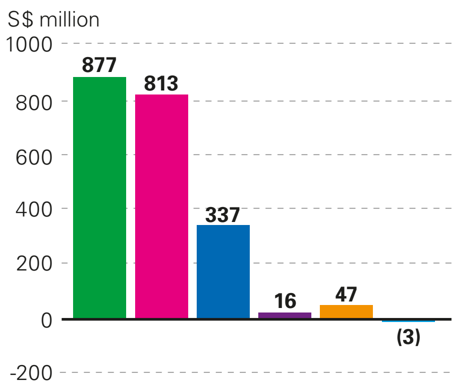
ASSETS

The Group's total assets as at 31 December 2011 were S$35.3 billion, of which assets in Singapore, China and Australia accounted for approximately 90%. The total assets increased by S$3.4 billion or 11% from 2010's total assets of S$31.9 billion mainly due to the acquisitions and new investments made during the year, in particular, Westgate (Jurong Gateway site), Bedok and Bishan sites in Singapore, Queensbay Mall in Malaysia, Luwan site in Shanghai and Chao Tian Men site in Chongqing as well as fair value gains from the revaluation of the Group's investment properties portfolio.

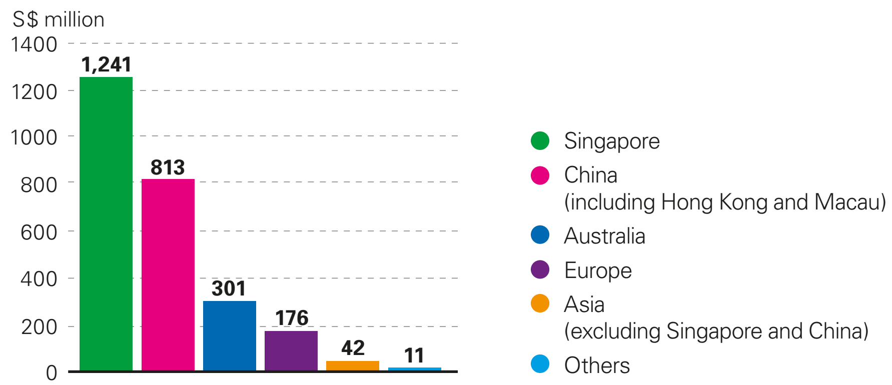
As at 31 December 2011, the Group manages S$60.3 billion[2] of real estate assets; firmly establishing our position as one of Asia's largest real estate companies.

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

2011 EBIT BY GEOGRAPHICAL LOCATION
Total: S$2.09 billion



2010 EBIT BY GEOGRAPHICAL LOCATION (RESTATED)
Total: S$2.58 billion



BORROWINGS

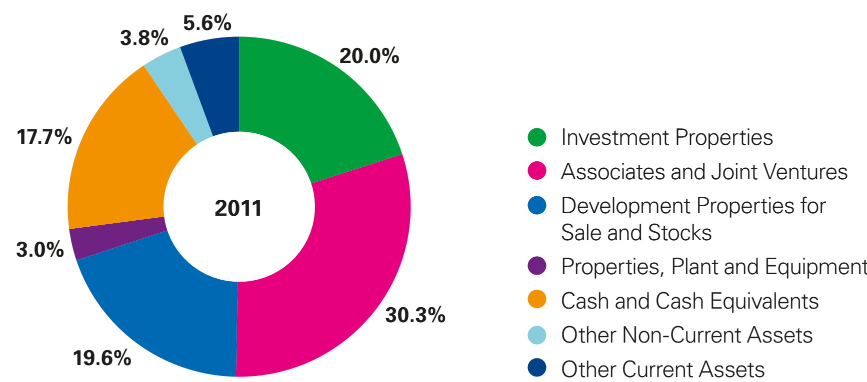
As at 31 December 2011, the Group's gross debts stood at S$12.2 billion. With a cash balance of S$6.3 billion, the net debt as at 31 December 2011 was S$5.9 billion as compared to S$3.2 billion as at end 2010. The net debt position as at 31 December 2011 was higher as the Group has utilised its cash as well as drawn on new borrowings to fund its ongoing capital commitments as well as acquisitions made during the year.

Notwithstanding the increased borrowings, the Group net debt equity ratio remained healthy at 0.31 as at 31 December 2011 (2010: 0.18).

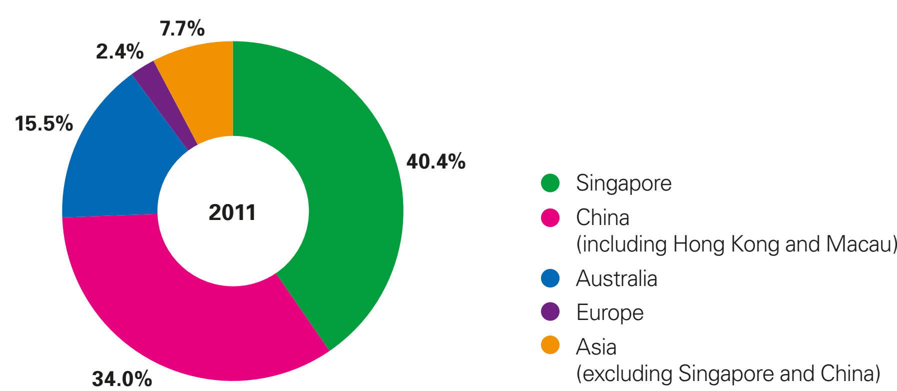
SHAREHOLDERS' EQUITY

As at 31 December 2011, issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 4.24 billion shares at S$6.3 billion. The Group's total reserves increased from S$7.8 billion in December 2010 to S$8.6 billion in December 2011. This increase was mainly contributed by the S$1.06 billion net profit for the year and exchange gains arising from the translation of foreign operations, partially offset by the payment of the 2010 dividends and the purchase of treasury shares during the year. The shareholders' funds as at end 2011 were S$14.9 billion compared to S$14.0 billion in 2010. With a higher equity, the Group's net tangible assets per share increased 7% to S$3.40 as at 31 December 2011.

2011 TOTAL ASSETS BY CATEGORY
Total: S$35.3 billion



2011 TOTAL ASSETS BY GEOGRAPHICAL LOCATION
Total: S$35.3 billion



Performance Overview

Treasury Highlights	2011	2010
Bank Facilities And Available Funds		
Bank facilities available (S$m)	9,961	7,754
Amount utilised for loans (S$m)	6,532	4,651
Available and unutilised (S$m)	3,429	3,103
Cash and fixed deposit balances (S$m)	6,264	7,190
Unutilised facilities and funds available for use (S$m)	9,693	10,293
Debt Securities Capacity		
Debt securities capacity (S$m)	10,209	9,807
Debt securities issue (net of debt securities purchased) (S$m)	5,659	5,707
Unutilised debt securities capacity (S$m)	4,550	4,100
Interest Cover Ratio		
Earnings before net interest, tax, depreciation and amortisation (S$m)*	2,242	2,785
Net interest expense (S$m)	392	365
Interest cover ratio (times)*	5.72	7.63
Interest Service Ratio		
Operating cashflow before interest and tax (S$m)	1,209	1,763
Net interest paid (S$m)	444	393
Interest service ratio (times)	2.72	4.49
Secured Debt Ratio		
Secured debt (S$m)	2,482	1,616
Percentage of secured debt	20%	16%
Debt Equity Ratio		
Gross debt (S$m)	12,191	10,358
Cash and fixed deposit balances (S$m)	6,264	7,190
Net debt (S$m)	5,927	3,168
Equity (S$m)*	19,239	17,865
Net debt equity ratio (times)*	0.31	0.18

* *2010 comparatives have been restated to take into account the retrospective adjustments relating to INT FRS 115 Agreements for the Construction of Real Estate.*

MANAGEMENT AND SOURCES OF FUNDING

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

The global financial outlook has deteriorated as a result of the European debt crisis, depressed US economy and a slowdown in the Chinese economy. Against this backdrop, the Group continues to maintain strong cash reserves of S$6.3 billion compared to S$7.2 billion last year. The difference was mainly attributed to higher cash outlays as a result of the Group committing to new investments in 2011.

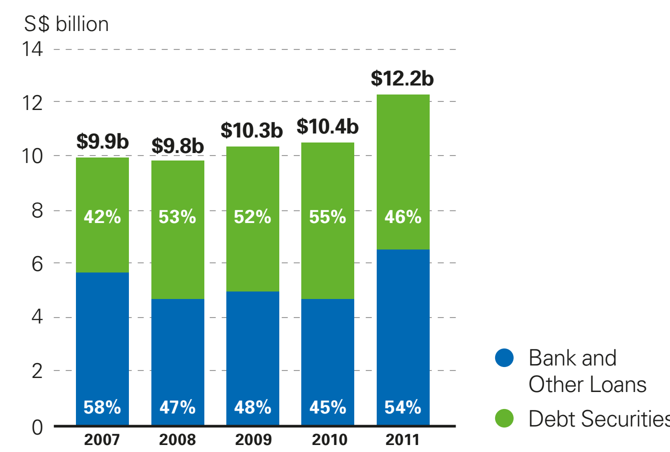
The Group's total gross debt of S$12.2 billion was 18% higher as compared to S$10.4 billion last year. Consequently, net debt of S$5.9 billion as at December 2011 was higher as the cash balance was also lower due to increase in new investments. However, our net debt equity ratio remains healthy at 0.31 which places the Group in a strong financial position. With a robust balance sheet and prudent capital management, the Group is well positioned to weather the volatility in the markets and well-placed for the next phase of growth.

Finance costs for the Group were S$472.8 million for the year ended 2011. This was about 5% higher compared to S$448.2 million last year. The higher finance costs were due to higher gross debt as well as some marked-to-market losses on interest rate swaps entered into by some business units.

SOURCES OF FUNDING

As at year end, 54% of the Group's total debt was funded from bank borrowings and the balance 46% was raised through capital market bond issuances. The Group continues to seek diversified and balanced sources of funding for its loan portfolio to ensure financial flexibility and mitigate concentration risk. During the year, bank loans increased by about S$1.9 billion mainly as a result of higher secured project financings within the Group for new committed investments.

SOURCES OF FUNDING



Performance Overview

COMMITMENT OF FUNDING

As at end 2011, the Group is able to achieve almost 100% of its funding from committed facilities.

As part of its financial discipline, the Group constantly reviews its asset versus liability match to ensure that a prudent portion of committed funding is put in place to match the investment's planned holding periods. Amidst the volatile and uncertain global economic climate, committed financing was secured whenever possible to support its committed investments and to ensure that the Group had sufficient financial capacity to support its operations and future growth plans.

MATURITY PROFILE

	S$ billion	% of Debt
Due within 1 year*	0.86	7
Between 1 & 2 years	1.15	9
Between 2 & 3 years	1.10	9
Between 3 & 4 years	1.94	16
Between 4 & 5 years	3.82	32
More than 5 years	3.33	27

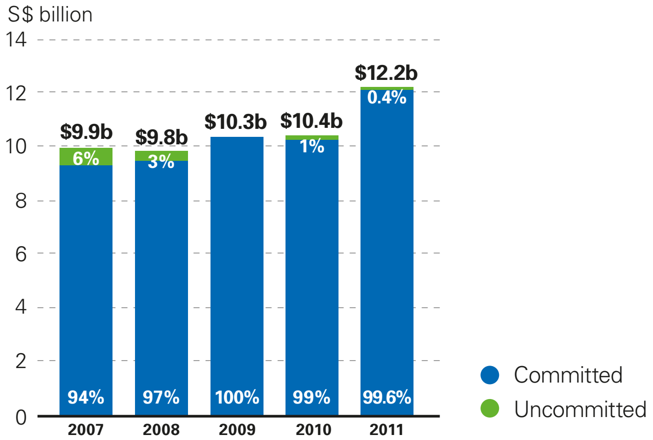
* *Includes long-term debt with remaining loan life of less than a year to maturity.*

The Group has proactively built up sufficient cash reserves and credit lines to enable it to meet its short-term debt obligations, support its refinancing needs and pursue opportunistic investments. The Group maintains a strong cash position of S$6.3 billion and unutilised bank lines of about S$3.4 billion. The Group's average debt maturity profile has improved to 3.8 years as at December 2011 as a result of several bank facilities raised during the year. To ensure financial discipline, the Group constantly reviews its loan profile so as to diversify the 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.

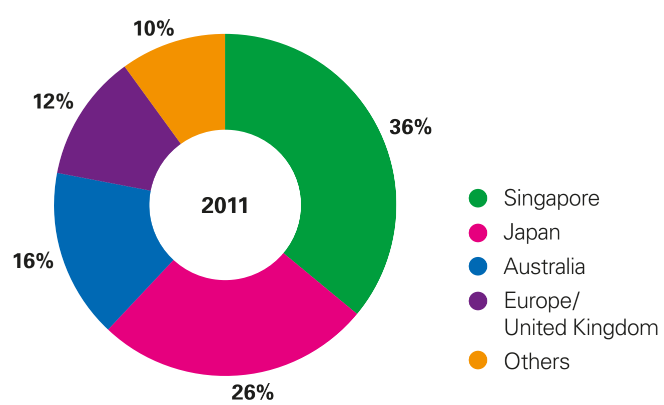
AVAILABLE LINES BY NATIONALITY OF BANKS

The Group, with operations spanning more than 110 cities in over 20 countries, has built up an extensive and active relationship with a network of more than 30 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.

COMMITMENT OF FUNDING



AVAILABLE LINES BY NATIONALITY OF BANKS



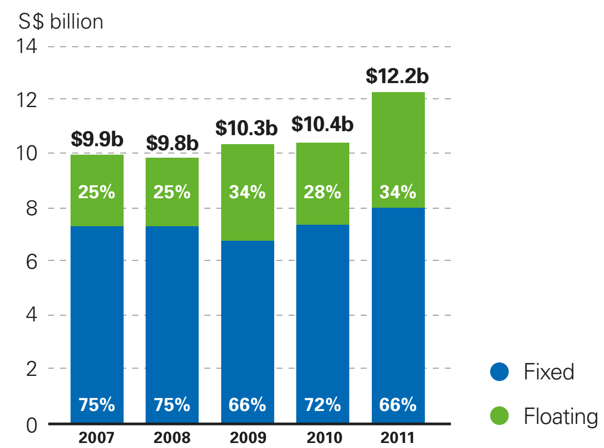
INTEREST RATE PROFILE

The Group manages its finance cost by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2011 the fixed rate borrowings constituted 66% of the portfolio and the balance 34% were on floating rate basis. As finance cost formed an integral component of the Group's operating costs, a higher percentage in fixed rate funding would offer protection against unexpected rise in interest rates. On balance, to capitalise on the current low interest rate environment and prepayment flexibility from operational cash surplus, the remaining portfolio was maintained on floating rate basis. In managing the interest rate profile, the Group takes into account the interest rate outlook on its loan portfolio, holding periods of its investment portfolio, certainty of its planned divestments and operating cashflow generated from residential sales.

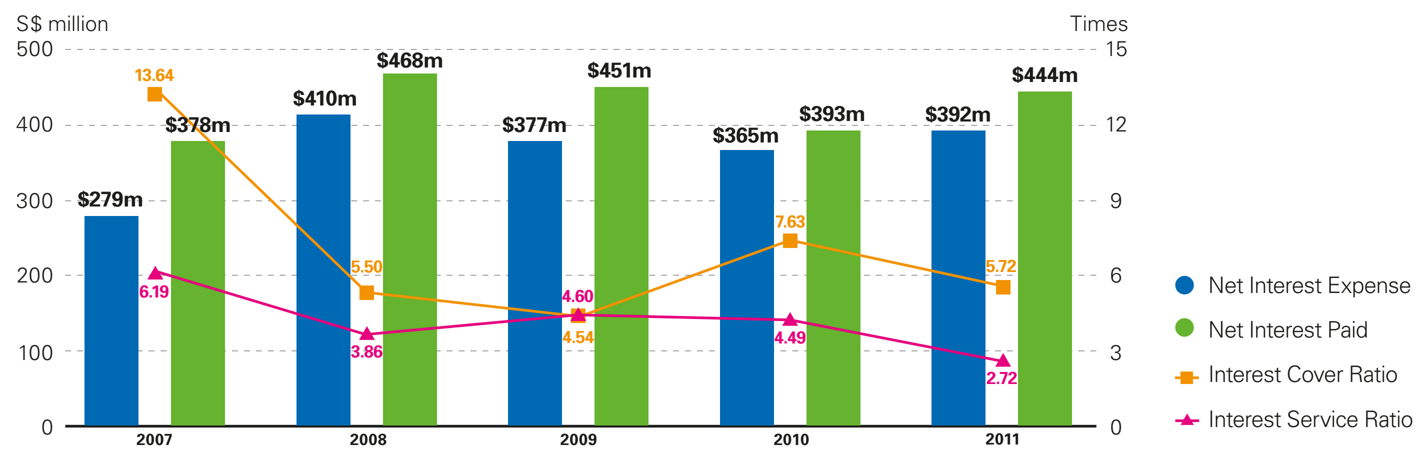
INTEREST COVER RATIO AND INTEREST SERVICE RATIO

The Interest Cover Ratio ("ICR") and Interest Service Ratio ("ISR") was 5.72 and 2.72 respectively. ICR was lower at 5.72 compared to 7.63 last year, primarily attributed to lower development profits, lower portfolio gains and higher impairment charges, partially mitigated by higher fair value gains from the revaluation of investment properties. Net interest expense increased marginally by 7% to S$392 million. ISR declined from 4.49 last year to 2.72 in 2011 due to lower cashflow generated from operations as compared to 2010 which included significant cashflow contributions from a development project which achieved completion.

INTEREST RATE PROFILE



INTEREST COVER RATIO AND INTEREST SERVICE RATIO



Awards & Accolades

Corporate Awards

CAPITALAND LIMITED

- Best Financial Disclosure
  World Finance Investor Relations Awards 2011
- Best Investor Relations Website
  World Finance Investor Relations Awards 2011
- Best Corporate Governance in Singapore
  World Finance Corporate Governance Awards 2011
- Best Global Mixed-Use Developer
  Euromoney Real Estate Awards 2011
- Best Mixed-Use Developer in Asia
  Euromoney Real Estate Awards 2011
- Best Developer in China
  Euromoney Real Estate Awards 2011
- Best Investor Relations
  Silver Award
  (Companies with S$1 billion and above in market capitalisation)
  Singapore Corporate Awards
- Voted Best Managed Company in Singapore
  FinanceAsia
- Best IR Companies for Property Sector (Buy side)
  2nd place
  Institutional Investor 2011 All-Asia Executive Team Ranking
- Green Builder of the Year
  2011 Frost & Sullivan Asia Pacific Green Excellence Award
- Dow Jones Sustainability Asia Pacific Index 2011/2012
  SAM and Dow Jones Indexes
- Included in the Global Real Estate Sustainability Benchmark (GRESB)

- **LIEW MUN LEONG**
  Ranked one of 25 Asia's Most Powerful Businesspeople
  Fortune Magazine

  Voted Best CEO in Singapore
  FinanceAsia
- **OLIVIER LIM**
  Best CFO for Property Sector (Buy side)
  2nd place
  Institutional Investor 2011 All-Asia Executive Team Ranking

  Voted Best CFO in Singapore
  FinanceAsia

CAPITALAND CHINA HOLDINGS

- 2011 China Outstanding Corporate Citizen
  China Association of Social Work
- The Best Integrated Real Estate Developer
  Hexun.com
- Gold Award for the Real Estate Enterprise of the Year
  Sichuan Daily Newspaper Group & Chengdu Real Estate Management Bureau

CAPITALAND (VIETNAM) HOLDINGS

- BCI Asia Top 10 Developers Award – Vietnam
  BCI Asia Top 10 Awards 2011
- Golden Dragon Award 2011
  Vietnam Economic Times
- Saigon Times Top 40 – Green Values 2010
  The Saigon Times

CAPITAMALLS ASIA

- Best Retail Developer in Asia
  Euromoney Real Estate Awards 2011
- Best Retail Developer in China
  Euromoney Real Estate Awards 2011
- Best Retail Developer in Singapore
  Euromoney Real Estate Awards 2011
- Best for Investor Relations
  Asiamoney Corporate Governance Poll 2011

CAPITAMALL TRUST

- Included in FTSE4Good Index
- Included in the Global Real Estate Sustainability Benchmark (GRESB)

CAPITARETAIL CHINA TRUST

- Best Annual Report –REITs and Business Trusts (Gold Award)
  Singapore Corporate Awards 2011

CAPITACOMMERCIAL TRUST

- Included in FTSE4Good Index

THE ASCOTT LIMITED

- Best Serviced Apartment Company
  Business Traveller UK Awards 2011
- Best Serviced Residence Brand in Asia-Pacific
  Business Traveller Asia-Pacific Awards 2011
- Best Serviced Residence in Asia-Pacific
  DestinAsian Readers' Choice Awards 2011
- Best Serviced Residence Operator
  TTG Travel Awards 2011
- Best Serviced Residence Operator in China
  TTG China Travel Awards 2011
- Best Serviced Residence Brand in China
  Business Traveller China Awards 2011
- Best Serviced Residence Group
  TravelWeekly China Travel & Meetings Industry Awards 2011
- China's Most Popular Serviced Residence Brand
  21st Century Business Herald & Business Travel's Golden Pillow Awards 2011
- Best Residence Operator
  The Centre of Asia Hotel Forum's China Hotel Starlight Awards 2011

Corporate Awards *(cont'd)*

THE ASCOTT LIMITED *(cont'd)*

- China's Outstanding Serviced Apartment Brand
  Hotel Industry Development Summit 2011
- Saigon Times Top 40 – Green Values 2010
  The Saigon Times
- Golden Dragon Award 2010
  Vietnam Economic Times

ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED

- Best Investment Fund Manager (South Eastern Asia)
  World Finance Real Estate Awards 2011

Residential Developments

SINGAPORE

THE NASSIM

- Green Mark Gold PLUS
  BCA Awards
  Building and Construction Authority, Singapore

THE METROPOLITAN CONDOMINIUM

- Construction Excellence Award 2011
  BCA Awards
  Building and Construction Authority, Singapore

THE SEAFRONT ON MEYER

- Gold Award (Implementation Residential)
  LIAS Awards of Excellence 2011
  Landscape Industry Association of Singapore
- Silver Award (Residential Design Category)
  SILA Professional Design Award 2011
  Singapore Institute of Landscape Architects

RIVERGATE

- Gold Award (Residential Design Category)
  SILA Professional Design Award 2011
  Singapore Institute of Landscape Architects

CHINA

DOLCE VITA, GUANGZHOU

- Guangzhou Habitat Property of the Year
  Guangzhou Real Estate Industry Association

I-WORLD, HANGZHOU

- The Highly Commended Apartment of China
  The International Property Awards

SUMMIT RESIDENCES, NINGBO

- The Highly Commended Architecture Multiple Residence of China
  The International Property Awards

AUSTRALIA

BOTANICA

- Award for Excellence in the category of Masterplanned Development
  UDIA NSW Awards 2011

PORT COOGEE

- Award for Excellence in the category of Presidents Award
  UDIA WA Awards 2011
- Award for Excellence in the category of Residential Development Over 250 Lots
  UDIA WA Awards 2011
- Award for Excellence in the category of Environmental Excellence
  UDIA WA Awards 2011

VIETNAM

BEAU RIVAGE

- Green Mark Certified (Provisional)
  BCA Awards
  Building and Construction Authority, Singapore
- Best Residential High-rise Development (5-star)
  Asia Pacific Property Awards 2011

Commercial Development

SINGAPORE

ONE GEORGE STREET

- Green Mark Gold PLUS
  BCA Awards
  Building and Construction Authority, Singapore

Awards & Accolades

Shopping Malls

SINGAPORE

ION ORCHARD
- Best Shopping Experience 2011
  Singapore Tourism Board

JCUBE
- Green Mark Platinum
  BCA Awards
  Building and Construction Authority, Singapore

THE ATRIUM@ORCHARD
- Green Mark Gold
  BCA Awards
  Building and Construction Authority, Singapore

BUGIS JUNCTION
- Green Mark Gold
  BCA Awards
  Building and Construction Authority, Singapore

CHINA

CAPITAMALL TIANFU, CHENGDU
- Green Mark Gold (Provisional)
  BCA Awards
  Building and Construction Authority, Singapore

CAPITAMALL WUSHENG, WUHAN
- Green Mark Gold (Provisional)
  BCA Awards
  Building and Construction Authority, Singapore

CAPITAMALL JINNIU – PHASE II, CHENGDU
- Green Mark Certified (Provisional)
  BCA Awards
  Building and Construction Authority, Singapore

CAPITAMALL XUEFU, HARBIN
- Green Mark Certified (Provisional)
  BCA Awards
  Building and Construction Authority, Singapore

CAPITAMALL AIDEMENGDUN, HARBIN
- Green Mark Certified
  BCA Awards
  Building and Construction Authority, Singapore

MALAYSIA

GURNEY PLAZA, PENANG
- Green Mark Gold
  BCA Awards
  Building and Construction Authority, Singapore

JAPAN

VIVIT SQUARE, TOKYO
- CASBEE 'A' Rating
  Institute for Building Environmental and Energy Conservation, Japan

INDIA

THE CELEBRATION MALL, UDAIPUR
- 25 Best Shopping Malls in India in 2011
  Retailer Magazine

Serviced Residences

SINGAPORE

ASCOTT RAFFLES PLACE SINGAPORE
- Best Serviced Residence in Asia-Pacific (2nd)
  Business Traveller Asia-Pacific Awards 2011

CHINA

ASCOTT MAILLEN SHENZHEN
- China's Outstanding Serviced Apartment
  Hotel Industry Development Summit 2011

ASCOTT HUAI HAI ROAD SHANGHAI
- Best Serviced Residence
  CBN Channel's Top Realtor Quality Award

AUSTRALIA

CITADINES ON BOURKE MELBOURNE
- Best Suite/Apartment Hotel
  Australian Hotels Association National Awards for Excellence 2011

INDONESIA

ASCOTT JAKARTA
- Indonesia Leading Serviced Apartment and Suite
  Indonesia Travel & Tourism Awards 2011/2012

JAPAN

CITADINES SHINJUKU TOKYO
- Top 25 Hotels in Japan
  TripAdvisor Travelers' Choice 2011

THAILAND

ASCOTT SATHORN BANGKOK
- Best Serviced Residence in Asia-Pacific (1st)
  Business Traveller Asia-Pacific Awards 2011

Mixed Developments

SINGAPORE

ORCHARD TURN DEVELOPMENTS PTE LTD
- Design and Engineering Safety Excellence Award 2011
  BCA Awards
  Building and Construction Authority, Singapore

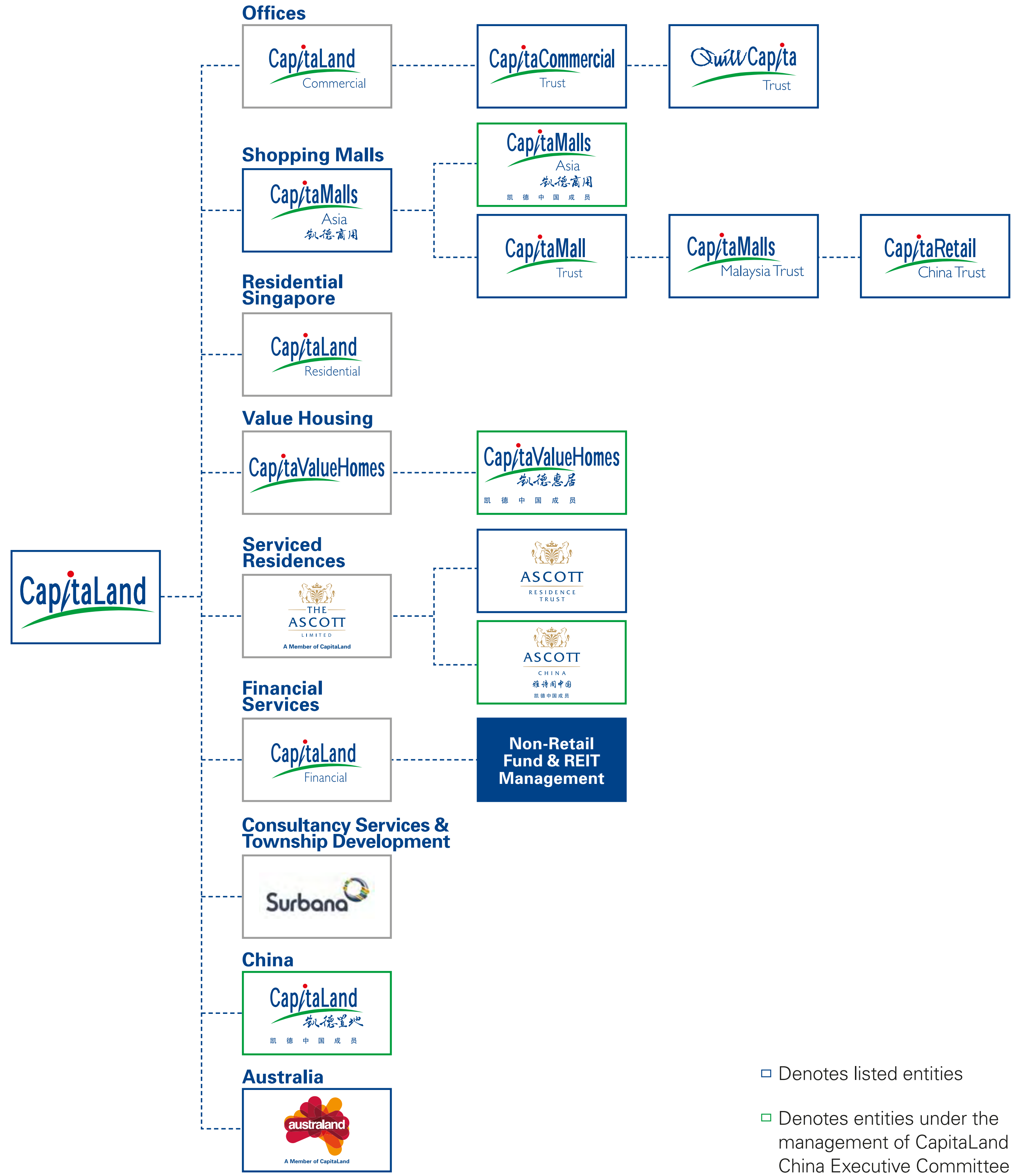
RAFFLES CITY SINGAPORE
- Green Mark Gold
  BCA Awards
  Building and Construction Authority, Singapore

RAFFLES CITY SINGAPORE (SILVER OAK LTD.)
- Securitisation Deal of the Year 2011
  IFR Asia Awards
- Asia-Pacific Securitisation Deal of the Year 2011
  IFR Global Awards
- Best Cross-Border Securitisation
  The Asset Triple A Regional Deal Awards 2011

Group Businesses

The total market capitalisation of the nine public listed entities in the Group, net of common holdings, is S$20.5 billion as at 30 December 2011.

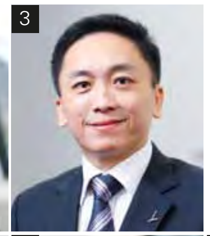
The Group manages S$60.3 billion of real estate assets.

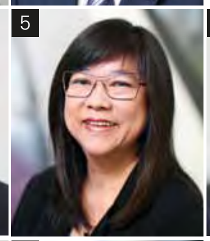


□ Denotes listed entities

□ Denotes entities under the management of CapitaLand China Executive Committee

CapitaLand Residential Singapore





1 **WONG HEANG FINE**
CEO
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD
CEO
CAPITALAND ILEC PTE. LTD.

2 **WONG JEN LAI**
CHIEF INVESTMENT OFFICER
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD

3 **LEE YEW KWUNG**
SENIOR VICE PRESIDENT, PROJECT DEVELOPMENT & MANAGEMENT
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD

4 **COLIN WONG**
SENIOR VICE PRESIDENT, MARKETING & SALES
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD

5 **ONG SIM LIAN**
SENIOR VICE PRESIDENT, DESIGN MANAGEMENT
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD

6 **KU WEI SIONG**
SENIOR VICE PRESIDENT
CAPITALAND GCC HOLDINGS PTE. LTD.

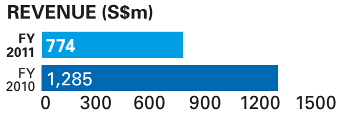
7 **ANSON LIM**
VICE PRESIDENT, INVESTMENT
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD

8 **TAN SEO LING**
VICE PRESIDENT, FINANCE
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD

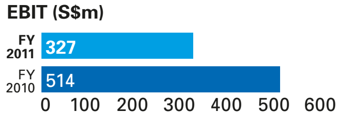
BEDOK RESIDENCES
SINGAPORE

15,904 units
The Singapore residential market remained resilient in 2011 with home sales recorded at 15,904 units, almost matching last year's record-breaking 16,292 units

REVENUE (S$m)



EBIT (S$m)



Revenue and EBIT were higher for FY2010 as units sold under Deferred Payment Scheme for The Seafront on Meyer and Latitude were recognised in full upon their completion in 3Q2010.

The Singapore residential market remained resilient in 2011 with home sales recorded at 15,904 units, just under last year's record-breaking 16,292 units. The prices of residential homes continued to rise, albeit at a slower pace compared with the previous year. Going forward, we expect a more subdued outlook on the demand and prices of residential homes in response to the year-end cooling measures introduced by the Singapore Government, as well as the economic uncertainty surrounding the European sovereign debt crisis.

TIMELY ACQUISITIONS AND DEVELOPING WELL-DESIGNED HOMES

CapitaLand continued to entrench its presence in the Singapore residential market. Two quality sites with strong location attributes were acquired at the start of the year to replenish its development pipeline. These sites are located at Marine Point and Bishan Central. With their distinctive but practical designs and good quality finishes, CapitaLand's well located homes continued to attract buyer interest. This contributed to total sales of 844 homes in the year with sales value amounting to S$1.35 billion.

The Bishan Central development designed by internationally renowned architect, Moshe Safdie, was unveiled during the year. Comprising 509 units spread across two 38-storey towers linked by three bridging "sky gardens", the revolutionary design will transform Bishan's urban residential landscape.

Bedok Residences, a mixed development integrated with public transport and a shopping mall was launched in November 2011. On the first day of launch, 350 units of the 450 units released were sold, a testament to the strong appeal of its unique and attractive attributes. Within the first three days of its launch, over 80% of the total 583 units were sold.

Launched in 2009, the 1,040-unit The Interlace designed by internationally renowned Office for Metropolitan Architecture is about 70% sold. d'Leedon, located at Farrer Road and featuring Zaha Hadid's visionary design, also continued to see steady sales.

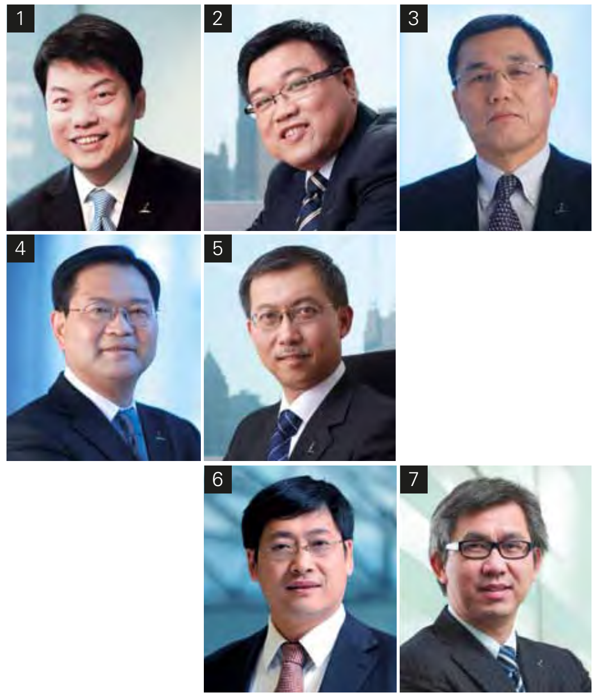
LOOKING AHEAD

In view of the large pool of external liquidity and strong buying interest from abroad which may potentially increase risk to the local economy and banking system, the Singapore government imposed the Additional Buyer's Stamp Duty (ABSD) on the purchase of residential properties by certain categories of buyers with effect from 8 December 2011. Its objective is to promote a sustainable residential property market where prices move in line with economic fundamentals.

CapitaLand expects homebuying sentiments to be cautious in view of the Government measures and uncertain global economic outlook. The Group's financial strength will enable CapitaLand to time launches according to market conditions.

Homebuying sentiments are likely to be cautious in view of the Government measures and uncertain global economic outlook

CapitaLand China



1 **JASON LEOW**
CEO
CAPITALAND CHINA HOLDINGS PTE LTD

2 **LUCAS LOH**
DEPUTY CEO
CAPITALAND CHINA HOLDINGS PTE LTD
(From 6 February 2012)

3 **CHAN BOON SENG**
DEPUTY CEO
CAPITALAND CHINA HOLDINGS PTE LTD
(From 6 February 2012)

4 **STEVE GONG**
CHIEF FINANCIAL OFFICER
CAPITALAND CHINA HOLDINGS PTE LTD

5 **CHIN PHEI CHEN**
CHIEF CORPORATE OFFICER
CAPITALAND CHINA HOLDINGS PTE LTD

6 **HAN WEI**
REGIONAL GENERAL MANAGER, NORTH CHINA
CAPITALAND CHINA HOLDINGS PTE LTD

7 **HOON TECK MING**
REGIONAL GENERAL MANAGER, SOUTHWEST CHINA
CAPITALAND CHINA HOLDINGS PTE LTD

RAFFLES CITY CHENGDU
CHINA

RMB3.1b
This year, CapitaLand sold about 1,500 residential units across Beijing, Shanghai, Guangzhou, Tianjin, Chengdu, Hangzhou, Kunshan and Foshan, with a total sales value of over RMB3.1 billion (S$0.6 billion)

With the commitment to broaden and deepen pipelines in the core market of China, CapitaLand continues to explore investment opportunities

Over the years, CapitaLand has grown into one of the top foreign real estate companies in China with a portfolio consisting of homes, office buildings, shopping malls, serviced residences and mixed developments. Its multi-sector and multi-geography business model continually provides a diversified earnings base.

STEADY RESIDENTIAL SALES

The short-term volatility in the market as a result of credit tightening and the government's measures to restrict the purchase of residential properties had affected real estate companies in general. Nevertheless, CapitaLand projects are well-positioned to ride the market with steady residential sales performance. This year, CapitaLand sold about 1,500 residential units across Beijing, Shanghai, Guangzhou, Tianjin, Chengdu, Hangzhou, Kunshan and Foshan, with a total sales value of over RMB3.1 billion (S$0.6 billion). New launches included Imperial Bay in Hangzhou, La Cite in Foshan, Dolce Vita in Guangzhou, International Trade Centre in Tianjin and The Paragon in Shanghai. New units at The Loft in Chengdu, The Metropolis in Kunshan, Riverside Ville and Beau Residences in Foshan and Beaufort in Beijing were also released for sale.

GOING DEEP INTO KEY CHINESE CITIES

With the commitment to broaden and deepen pipelines in the core market of China, CapitaLand continues to explore investment opportunities. In early 2011, CapitaLand expanded its portfolio in Guangzhou through acquiring a 575,787-square metre waterfront site in Panyu District.

As the lead development manager, CapitaLand plans to build a residential estate comprising low-density and high-rise homes. In the third quarter of the year, Capitaland secured a prime residential site in Gongshu District, Hangzhou, to develop mid- to high-end homes. At the end of the year, CapitaLand and CapitaMalls Asia together with Singbridge Holdings (a unit of Temasek Holdings) were awarded a prime site in the heart of Yuzhong District in Chongqing. The project will be developed into the eighth Raffles City in China, including a shopping mall and eight towers for residential, office, serviced residence and hotel use.

ATTRACTIVE RAFFLES CITY PORTFOLIO

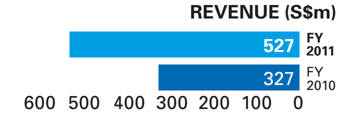
The year saw strong retail growth spurred by rapid urbanisation and demand for organised retailing. CapitaLand's Raffles City portfolio is one of the largest mixed used branded developments with eight properties across China. The completed Raffles City developments in Shanghai and Beijing achieved strong rental growth. Raffles City Chengdu and Raffles City Ningbo are on track for completion in phases from 2012. Both projects have received strong interest from prospective tenants during pre-leasing. Construction of another four Raffles City developments is underway.

LOOKING AHEAD

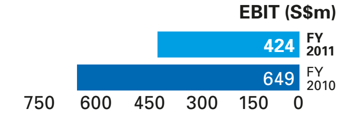
As a long-term player in China, CapitaLand remains positive on the prospects of its core real estate market. The Chinese government has ensured a more stable property market through a series of cooling measures. With a balanced portfolio and strong balance sheet, CapitaLand is well-poised to further strengthen its position in China.

With a balanced portfolio and strong balance sheet, CapitaLand is well-poised to further strengthen its position in China

REVENUE (S$m)



EBIT (S$m)



Revenue was higher by 61% as more development units were being delivered to home buyers. FY2011 EBIT was impacted by lower fair value gains from revaluation of investment properties and lower portfolio gains.

CapitaLand Commercial

1 **CHONG LIT CHEONG**
CEO
CAPITALAND COMMERCIAL LIMITED

2 **LYNETTE LEONG**
CEO
CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED

3 **CHAN SAY YEONG**
MANAGING DIRECTOR, MALAYSIA
CAPITALAND COMMERCIAL LIMITED

4 **POON HIN KONG**
SENIOR VICE PRESIDENT, DESIGN & DEVELOPMENT
CAPITALAND COMMERCIAL LIMITED

5 **VINCENT WONG**
GENERAL MANAGER
CAPITALAND INDIA PTE LTD

6 **SASAKI JUNGO**
COUNTRY DIRECTOR
CAPITALAND JAPAN KABUSHIKI KAISHA

7 **HENG TZE KIANG**
GENERAL MANAGER
STORHUB MANAGEMENT PTE LTD

8 **MICHELLE KOH**
SENIOR VICE PRESIDENT, LEGAL & SECRETARIAT
CAPITALAND COMMERCIAL LIMITED

9 **CHEW PEET MUN**
HEAD, INVESTMENT AND ASSET MANAGEMENT
CAPITALAND COMMERCIAL LIMITED

10 **EDWARD BIN**
FINANCIAL CONTROLLER
CAPITALAND COMMERCIAL LIMITED

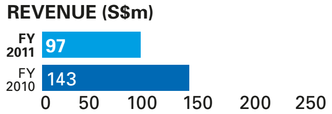
11 **DAWN LAI**
VICE PRESIDENT, MARKETING & LEASING
CAPITALAND COMMERCIAL LIMITED

CAPITAGREEN
SINGAPORE

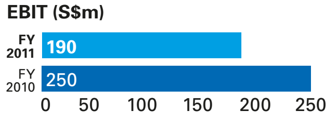
PHOTO CREDIT: KURAMOCHI+OGUMA

S$1b
Invested about S$1 billion in office projects in Singapore

REVENUE (S$m)



EBIT (S$m)



Lower revenue year-on-year, due to the recognition of a one-off deferred income and divestment, mitigated by contribution from the self-storage business. EBIT decreased, due to loss of contribution from the Thai joint venture, lower portfolio gains from divestments, and foreign exchanges losses, mitigated by lower impairment losses.

In 2011, CapitaLand continued its active portfolio management strategy to unlock the value of non-core assets and recycle the capital into investment opportunities for future growth.

UNLOCKING VALUE OF NON-CORE ASSETS

To enhance capital productivity, CapitaLand Commercial Limited (CCL) divested its non-core assets, which included a high-tech industrial building, Corporation Place for S$99.0 million, of which CCL owned 75%; and its 40% stake in TCC Capital Land Limited for THB2,340.8 million (approximately S$97.1 million).

INVESTING FOR FUTURE GROWTH

For future growth, CCL took part in two office projects in Singapore during the year, investing about S$1 billion (based on its proportionate stakes) to be funded through cash and debt. The first project is the redevelopment of Market Street Car Park into a Grade A office development at an estimated cost of S$1.4 billion. The project, named CapitaGreen, is a 50:40:10 joint venture between CCL, CapitaCommercial Trust and Mitsubishi Estate Asia respectively. CapitaGreen is strategically located within Raffles Place and near to Marina Bay. Designed by internationally-acclaimed architect Toyo Ito, CapitaGreen is expected to be completed in the fourth quarter of 2014.

The second project is a S$1.5 billion mixed development, named Westgate, at Jurong Gateway, comprising a retail shopping mall and an office tower. Westgate is well-connected by public transport and is one of the upcoming regional commercial centres in the western part of Singapore. CCL owns 20% in the development, jointly with CapitaMalls Asia and CapitaMall Trust which own 50% and 30% respectively. The Westgate Tower (office) is scheduled for completion in 2014.

EXPANDING STORHUB SELF-STORAGE BUSINESS

CCL has a 62% interest in a joint venture with Hersing Corporation Ltd in the self-storage business under the StorHub brand. Since the joint venture's inception in August 2010, the number of self-storage facilities has grown from five to seven, with lettable area of approximately 432,000 square feet. This includes its first self-storage facility in Guangzhou, China, to be operational in the first half of 2012. In addition, StorHub has signed an agreement to acquire its eighth facility at Admiralty Road which will bring its total lettable area for self-storage use to 459,000 square feet.

432,000
square feet
Self-storage facilities has grown from five to seven, with lettable area of approximately 432,000 square feet

LOOKING AHEAD

The first half of 2011 saw improving sentiments which were reversed by the onset of the EuroZone debt crisis in the latter half of the year. The Singapore office market was not spared from the global economic uncertainty and the year ended on a cautious note. Going forward, CCL will continue with its active portfolio management strategy and seek investments at the opportune time.

CapitaMalls Asia

1 **LIM BENG CHEE**
CEO
CAPITAMALLS ASIA LIMITED

2 **NG KOK SIONG**
CHIEF FINANCIAL OFFICER
CAPITAMALLS ASIA LIMITED

3 **SIMON HO**
CEO
CAPITAMALL TRUST MANAGEMENT LIMITED

4 **SIMON YONG**
CHIEF DEVELOPMENT OFFICER
CAPITAMALLS ASIA LIMITED

5 **WILSON TAN**
DEPUTY CEO
CAPITAMALL TRUST MANAGEMENT LIMITED
(From 4 February 2012)
SENIOR VICE PRESIDENT
CAPITAMALLS ASIA LIMITED
(Until 3 February 2012)

6 **LOCK WAI HAN**
CEO, CHINA
CAPITAMALLS ASIA LIMITED

7 **TONY TAN TEE HIEONG**
CEO
CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED

8 **SHARON LIM**
CEO
CAPITAMALLS MALAYSIA REIT MANAGEMENT SDN. BHD.

9 **TOH KIM SAI**
DEPUTY CHIEF DEVELOPMENT OFFICER
CAPITAMALLS ASIA LIMITED

10 **KEK CHEE HOW**
COUNTRY HEAD, JAPAN
CAPITAMALLS ASIA LIMITED

11 **KEVIN CHEE**
COUNTRY HEAD, INDIA
CAPITAMALLS ASIA LIMITED

HONGKOU PLAZA
SHANGHAI, CHINA

S$456m
Profit after tax and minority interests

S$3.4b
Committed S$3.4 billion in investments for five acquisitions in 2011, exceeding its target of S$2.0 billion

Despite the challenging economic environment, Asian economies are still growing, with China outpacing the growth of many other countries. Retail sales remained healthy in CapitaMalls Asia's (CMA) key markets in 2011.

As at end 2011, CMA had interests in and managed a portfolio of 97 shopping malls across 51 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$29.4 billion and a total gross floor area of approximately 87.4 million sq ft. Of these, 72 malls were operational while the other 25 will open over the coming years.

EXPANDING OUR PLATFORM FOR GROWTH

In 2011, CMA committed a total of about S$3.4 billion in new investments, exceeding its target of S$2.0 billion. These were for acquisitions of stakes in five malls – one in Singapore (Westgate at Jurong Gateway, Singapore's largest regional centre); and four in China (increasing its stakes in Minhang Plaza and Hongkou Plaza in Shanghai to 100%, together with its associates; a joint-venture to develop the largest shopping mall in Suzhou; and a prime site for a landmark shopping mall in Chongqing, as part of a Raffles City development).

Acquisitions by CMA's three REITs in 2011 include Iluma in Singapore by CapitaMall Trust; CapitaMall Minzhongleyuan in Wuhan, China by CapitaRetail China Trust; and East Coast Mall in Kuantan, Malaysia by CapitaMalls Malaysia Trust.

CMA opened a total of four malls in 2011 – three in China (Minhang Plaza and Hongkou Plaza in Shanghai, and CapitaMall Crystal in Beijing) and one in India (The Celebration Mall, Udaipur).

A major milestone for CMA in 2011 was its secondary listing on the Main Board of the Hong Kong Stock Exchange on 18 October. This is a strategic move that will widen its investor base, provide greater capital management flexibility and raise its profile in China.

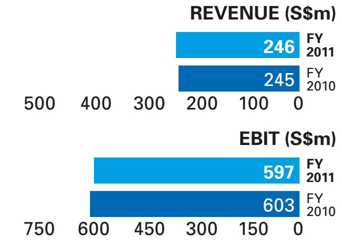
CMA also converted its CapitaRetail China Development Fund to an income fund and upsized the fund by 50% to US$900.0 million (S$1.1 billion).

Continuing to build its financial strength through prudent capital management, CMA issued two series of retail bonds in January 2011 and 2012 through its wholly-owned subsidiary, CapitaMalls Asia Treasury Limited, raising a total of S$600.0 million with both bond offerings oversubscribed.

LOOKING AHEAD

2012 will be an inflection point for CMA, with more than half of the net asset value of its China malls being operational. Focus will be on delivering the opening of nine new malls and ramping up its existing malls. With its strong balance sheet and low gearing, CMA remains ready and flexible to capitalise on selective acquisitions.

Inflection point for CMA in 2012 is due to more than half of its assets in China in terms of NAV being operational



Revenue rose slightly despite divesting four malls in Singapore and Malaysia into REITs.

The Ascott Limited

1 **LIM MING YAN**
CEO
THE ASCOTT LIMITED
(Until 5 February 2012)

2 **CHONG KEE HIONG**
CEO
THE ASCOTT LIMITED
(From 6 February 2012)
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(Until 5 February 2012)

3 **LEE CHEE KOON**
DEPUTY CEO
THE ASCOTT LIMITED
(From 6 February 2012)
MANAGING DIRECTOR, NORTH ASIA
THE ASCOTT LIMITED

4 **RONALD TAY**
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(From 27 February 2012)
CHIEF INVESTMENT OFFICER
THE ASCOTT LIMITED
(Until 5 February 2012)

5 **VINCENT WEE**
DEPUTY CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
MANAGING DIRECTOR, INDIA & GULF COOPERATION COUNCIL
THE ASCOTT LIMITED
(From 6 February 2012)

6 **ALFRED ONG**
MANAGING DIRECTOR, SOUTHEAST ASIA & AUSTRALIA
THE ASCOTT LIMITED

7 **TAN CHOON KWANG**
MANAGING DIRECTOR, EUROPE
THE ASCOTT LIMITED

8 **TONY SOH**
CHIEF CORPORATE OFFICER
THE ASCOTT LIMITED

9 **WONG HOOE WAI**
CHIEF DEVELOPMENT OFFICER
THE ASCOTT LIMITED

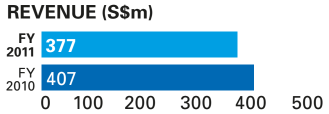
10 **YEONG LAI MENG**
SENIOR VICE PRESIDENT, FINANCE
THE ASCOTT LIMITED

ASCOTT MAILLEN SHENZHEN
CHINA

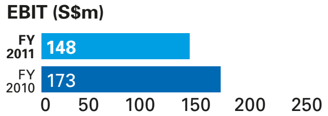
Over **S$665m**

Invested over S$665 million to develop 11 properties and secured management contracts for 23 properties

REVENUE (S$m)



EBIT (S$m)



Revenue and EBIT for FY 2011 were lower mainly due to the divestment of 28 properties to Ascott Reit in October 2010.

In 2011, CapitaLand's serviced residence business unit, The Ascott Limited (Ascott), continued to strengthen its leadership position and competitive edge by expanding its global presence and enhancing customer experience and brand value.

STRENGTHENED PIPELINE, EXPANDED OPERATIONS, INCREASED FINANCIAL CAPACITY

Through a series of investments and management contracts, Ascott expanded its portfolio to over 29,000 apartment units in 214 properties across more than 70 cities. It invested over S$665 million to develop 11 properties with more than 2,000 apartment units in nine cities – Ahmedabad, Bangalore, Chennai and Hyderabad in India; Shanghai in China; Hai Phong in Vietnam; Frankfurt and Hamburg in Germany; and Paris in France. With strong international branding and award-winning hospitality capabilities, Ascott secured management contracts for 23 properties with over 4,000 apartment units in 20 cities including Beijing, Chengdu, Foshan and Macau SAR in China; Cyberjaya, Nusajaya and Petaling Jaya in Malaysia; Hanoi and Ho Chi Minh City in Vietnam; and Muscat in Oman.

Ascott also commenced operations in six new properties with more than 700 apartment units in Shenzhen and Xi'an in China; Bangalore and Chennai in India; Hanoi in Vietnam; and Paris in France.

In addition, Ascott increased its financial capacity to capture new growth opportunities through divesting three properties in China and India with proceeds of over S$270 million.

ENHANCED CUSTOMER EXPERIENCE AND BRAND VALUE

To enhance customer experience, brand value and asset yield, Ascott invested S$70 million to refurbish 15 properties across Asia and Europe. Ascott's strong branding, product and service excellence enabled it to garner more than 40 prestigious awards including 'Best Serviced Residence Brand' at the Business Traveller Asia-Pacific Awards and 'Best Serviced Residence Operator' at the TTG Travel Awards.

LOOKING AHEAD

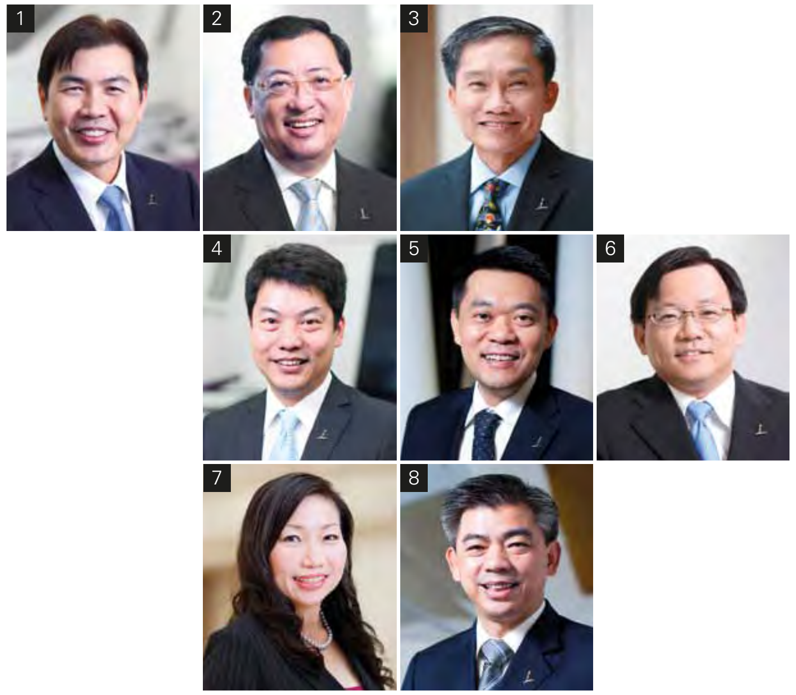
Ascott is on track to achieve its target of 40,000 apartment units globally by 2015. It will continue to seek new investments in Singapore, China, India, Vietnam and United Kingdom, and grow its fee-based income through securing more management contracts. At the same time, Ascott will continue with its asset enhancement initiatives to strengthen its brand and improve its service standards to achieve higher yields.

S$70m

Enhanced customer experience, brand value and asset yield by investing S$70 million to refurbish 15 properties across Asia and Europe

Garnered more than 40 prestigious awards for strong branding, product and service excellence

CapitaLand Mixed Developments



1 LIM MING YAN
CHIEF OPERATING OFFICER
CAPITALAND LIMITED
CEO
THE ASCOTT LIMITED
(Until 5 February 2012)

2 WONG HEANG FINE
CEO
CAPITALAND RESIDENTIAL SINGAPORE PTE LTD
CEO
CAPITALAND ILEC PTE. LTD.

3 CHONG LIT CHEONG
CEO
CAPITALAND COMMERCIAL LIMITED

4 JASON LEOW
CEO
CAPITALAND CHINA HOLDINGS PTE LTD

5 LIM BENG CHEE
CEO
CAPITALMALLS ASIA LIMITED

6 CHONG KEE HIONG
CEO
THE ASCOTT LIMITED
(From 6 February 2012)
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(Until 5 February 2012)

7 LYNETTE LEONG
CEO
CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED

8 SIMON HO
CEO
CAPITALMALL TRUST MANAGEMENT LIMITED

RAFFLES CITY CHANGNING
CHINA

CapitaLand's distinct advantage is its ability to integrate various property types seamlessly into one integrated complex or mixed development. Over the years, the Group has enjoyed much success through the development of many iconic mixed use projects in Singapore and China. This success stems from CapitaLand's understanding of design, construction and operational needs of the different real estate components.

RICH EXPERIENCE IN MIXED DEVELOPMENTS

Our experience in mixed development projects dates back to 1986 when CapitaLand started with Raffles City Singapore, to recent developments such as Wilkie Edge, ION Orchard and The Orchard Residences, Bedok Residences and the integrated shopping mall below, The Star and Westgate in Singapore. The successful launch of Bedok Residences in November 2011 can be attributed in part to the experience garnered from the development of ION Orchard and The Orchard Residences.

The highly successful Raffles City brand has been synonymous with architectural excellence and a showcase of CapitaLand's development competence

GROWING THE RAFFLES CITY FRANCHISE IN CHINA

The highly successful Raffles City brand has been synonymous with architectural excellence and a showcase of CapitaLand's development competence. Each Raffles City development is defined by its prime city location, an impressive design conceptualised by a world-famous architect and a seamless integration of real estate functions such as a shopping mall, an office tower, a hotel and/or a serviced residence into one cohesive development.

CapitaLand has a portfolio of nine Raffles City developments in Singapore and China. Eight of the nine Raffles City developments are in China – with two already operational, two slated to commence operations in 2012 and the remaining under various stages of development. The current eight Raffles City projects are in Shanghai, Beijing, Chengdu, Hangzhou, Ningbo, Shenzhen and Chongqing. Together, they offer over 2.8 million square metres of prime commercial floor space, valued at an aggregate value of S$12 billion.

CapitaLand expanded its Raffles City footprint to Chongqing in 2011, making it the eighth of such mixed developments in China. CapitaLand, together with CapitaMalls Aisa (CMA) and Singbridge Holdings (a unit of Temasek Holdings) will jointly develop the magnificent Chao Tian Men site into a landmark development featuring a shopping mall and eight towers for residential, office, serviced residence and hotel use. The project is designed by star architect Mosche Safdie and is slated for completion in phases from 2017.

CapitaLand expanded its Raffles City footprint to Chongqing in 2011, making it the eighth of such mixed developments in China

DISTINCTIVE SINGAPORE PORTFOLIO

In Singapore, CapitaLand's mixed developments can be seen stretching along the prime Orchard Road shopping belt from ION Orchard and The Orchard Residences on one end, to Plaza Singapura and The Atrium@Orchard, and Raffles City Singapore on the other end. The Group's mixed developments portfolio in Singapore was enhanced with the securing of an integrated shopping mall and office tower project at Jurong Gateway from URA. The development, named Westgate, will be jointly developed by CapitaLand together with CMA and CapitaMall Trust, into a new landmark in Jurong. The shopping mall is earmarked for completion by Christmas 2013, while the office tower will be ready for occupation in 2014.

MOVING FORWARD

CapitaLand intends to focus on its development capability in the mixed development product segment when seeking new acquisitions in Singapore and China. The Group will be leveraging on the Raffles City brand and value proposition to secure more investments in key gateway cities in China en route to fulfilling its dream of building 10 Raffles City developments in the mainland.

CapitaValue Homes

1 **CHEN LIAN PANG**
CEO
CAPITAVALUE HOMES LIMITED

2 **YIP HOONG MUN**
DEPUTY CEO, VIETNAM
CAPITAVALUE HOMES LIMITED

3 **LEOW SIEW BENG**
CHIEF CORPORATE OFFICER
CAPITAVALUE HOMES LIMITED

4 **QIAN YI QI**
MANAGING DIRECTOR, CHINA
CAPITAVALUE HOMES LIMITED

5 **POON HIN KONG**
CHIEF OF DESIGN MANAGEMENT
CAPITAVALUE HOMES LIMITED

6 **YOONG VOON SIN**
GENERAL MANAGER, CENTRAL CHINA
CAPITAVALUE HOMES LIMITED

7 **LIM WIE SHAN**
GENERAL MANAGER, SOUTH VIETNAM
CAPITAVALUE HOMES LIMITED

8 **VIVIAN MIAO**
GENERAL MANAGER, INVESTMENT & CORPORATE AFFAIRS, SOUTH CHINA
CAPITAVALUE HOMES LIMITED

9 **TAN MING CHIAN**
GENERAL MANAGER, OPERATIONS, SOUTH CHINA
CAPITAVALUE HOMES LIMITED

10 **LIM HUA TIONG**
VICE PRESIDENT, FINANCE & CORPORATE SERVICES
CAPITAVALUE HOMES LIMITED

LAKESIDE
WUHAN, CHINA

6,600
value homes
More than doubled pipeline to over 6,600 value homes in China and Vietnam

2,400
value homes
Acquired two sites in Shanghai and Guangzhou to build over 2,400 value homes

Asia continues to be spurred by rapid urbanisation and the aspirations of the growing middle class. CapitaValue Homes will capitalise on this strong growth potential and build homes that are value for money and cater to the essential needs and affordability of genuine homebuyers in the mass market in China and Vietnam.

DOUBLED VALUE HOMES PIPELINE

During the year, CapitaValue Homes more than doubled its pipeline of value homes to over 6,600 units in the key cities of China and Vietnam. Of these, approximately 5,000 units are in China.

CapitaValue Homes acquired two sites in Shanghai's Pudong District and Guangzhou's Panyu District in China. The sites, totalling 156,627 square metres in land area, will be developed into over 2,400 value homes in the two first-tier cities.

In Vietnam, CapitaValue Homes partnered Khang Dien to jointly develop PARCSpring into 974 value homes located at the fringe of the city centre in District 2, Ho Chi Minh City. During the year, it also partnered Quoc Cuong to jointly develop about 800 value homes in Binh Chanh District, a new urban area in Ho Chi Minh City. Both projects have obtained Investment Certificates and PARCSpring is launch-ready.

BUILDING AND DESIGN CAPABILITIES

To accelerate the value homes development cycle and to achieve cost efficiency, CapitaValue Homes adopts standardised designs, replicable floor plans and industrialised construction methods. Construction works at PARCSpring is ongoing while the approximately 2,500-unit Lakeside located in Caidian District, Wuhan, China, will start construction in the first quarter of 2012.

STRONG DELIVERY TRACK RECORDS

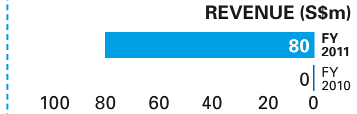
Notwithstanding the current challenging economic situation in Vietnam, CapitaLand completed its first mid-high end residential project in Vietnam, The Vista, on schedule in September 2011. The Vista is located within the prime residential precinct in Ho Chi Minh City's District 2.

LOOKING AHEAD

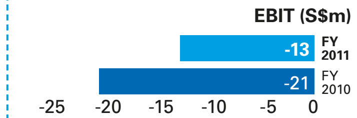
CapitaValue Homes will continue to cautiously seek good investment opportunities amidst the global economic uncertainties. It will expand its value homes footprint in the key cities of China and Vietnam. CapitaValue Homes targets to build 10,000 to 15,000 value homes annually over the next three years.

Target to build 10,000 to 15,000 value homes annually over the next three years

REVENUE (S$m)



EBIT (S$m)



Higher revenue due to maiden recognition from The Vista in Vietnam. Reduced losses due to profit from The Vista partially offset by higher start up costs in China.

CapitaLand Financial Services

1 **WEN KHAI MENG**
CEO
CAPITALAND FINANCIAL LIMITED
CHIEF INVESTMENT OFFICER
CAPITALAND LIMITED
(Until 5 February 2012)

2 **JOHN PANG**
MANAGING DIRECTOR
CAPITALAND FINANCIAL LIMITED

3 **CHAN LEE FONG**
HEAD, FINANCIAL & CORPORATE SERVICES
CAPITALAND FINANCIAL LIMITED

4 **LYNETTE LEONG**
CEO
CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED

5 **CHONG KEE HIONG**
CEO
THE ASCOTT LIMITED
(From 6 February 2012)
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(Until 5 February 2012)

6 **RONALD TAY**
CEO
ASCOTT RESIDENCE TRUST MANAGEMENT LIMITED
(From 27 February 2012)
CHIEF INVESTMENT OFFICER
THE ASCOTT LIMITED
(Until 5 February 2012)

7 **CHAN SAY YEONG**
CEO
QUILL CAPITA MANAGEMENT SDN. BHD.

ILUMA
SINGAPORE

PHOTO CREDIT: THOMAS PHOON KONG WAI (SINGAPORE)

S$34b
The Group's financial services business has approximately S$34 billion Assets Under Management as at end 2011

As one of Asia's largest real estate companies, CapitaLand has a strong track record in originating, structuring and managing real estate funds and financial products. The Group has created six REITs and 21 real estate private equity funds over the past years, all REITS and 15 funds are still under its management. As at end 2011, the Group's financial services business has approximately S$34 billion Assets Under Management (AUM).

STRONG FUND MANAGEMENT CAPABILITIES

The Singapore and China-focused REITs and private equity funds contributed 83% of the total AUM. In 2011, CapitaMalls Asia converted CapitaRetail China Development Fund to an income fund and increased its fund size by 50% to US$900.0 million (approximately S$1.1 billion).

PROACTIVE PORTFOLIO AND CAPITAL MANAGEMENT

CapitaLand's REITs contributed a total of S$95.6 million in management fees to the Group in 2011. The respective REIT managers continued to add value to their portfolio through portfolio reconstitution, acquisition and development, asset enhancement, proactive leasing and capital management.

CapitaMall Trust's offer of two-year bonds to the retail and institutional investors in Singapore was about 1.9 times subscribed

CapitaMall Trust (CMT) was the first Singapore REIT to offer two-year bonds to the retail and institutional investors in Singapore. The offer was about 1.9 times subscribed. In April 2011, CMT acquired Iluma for S$295.0 million, increasing the number of retail properties in its portfolio to 16. CMT also took a 30% stake in a joint venture to develop a prime land parcel at Jurong Gateway, named Westgate, marking its first foray into greenfield developments.

As part of its portfolio reconstitution strategy, CapitaCommercial Trust (CCT) unveiled plans to redevelop Market Street Car Park into a Grade A office tower. The development is a joint venture where CCT owns 40% interest. CCT successfully secured S$450 million committed facilities and issued S$200 million medium term notes for its S$570 million refinancing due in March 2012.

CCT and CMT completed the refinancing of S$964 million Raffles City Singapore (jointly owned by both REITs) debt via a S$800 million Aaa-rated secured notes which was 1.7 times subscribed and S$164 million bank borrowings in June 2011.

Ascott Residence Trust's (Ascott Reit) asset size of S$2.87 billion as at 31 December 2011 comprises 65 properties with 6,600 units in 23 cities across 12 countries in Asia Pacific and Europe. During the year, Ascott Reit completed the yield accretive acquisition of 60% interest in Citadines Shinjuku Tokyo, adding another quality serviced residence to its Japan portfolio.

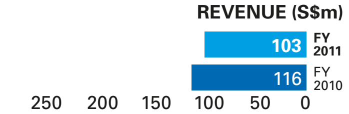
CapitaRetail China Trust (CRCT), acquired New Minzhong Leyuan Mall in Wuhan, central China, in June 2011. The acquisition, funded mainly through a placement of 59.8 million new units, expanded CRCT's portfolio to nine shopping malls across six cities in China.

LOOKING AHEAD

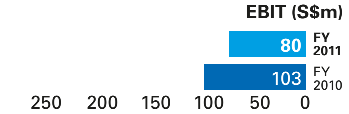
CapitaLand will continue to grow its AUM through accretive acquisitions, developments, asset enhancements and to create new funds and financial products in Singapore, China, Vietnam and Malaysia.

S$964m
CCT and CMT completed the refinancing of Raffles City Singapore debt via a S$800 million Aaa-rated secured notes and S$164 million bank borrowings

REVENUE (S$m)

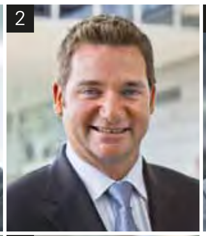


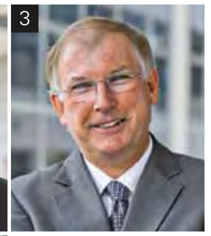
EBIT (S$m)



Revenue declined 11% due mainly to lower one-off acquisition and divestment fees from our REITs and lower fund management fees from two private equity funds which have been fully divested. EBIT was down 22% due mainly to lower fee income and lower share of results from associates and joint venture.

Australand Property Group





1 **BOB JOHNSTON**
MANAGING DIRECTOR AND CEO
AUSTRALAND PROPERTY GROUP

2 **SEAN MCMAHON**
EXECUTIVE GENERAL MANAGER, COMMERCIAL & INDUSTRIAL
AUSTRALAND PROPERTY GROUP

3 **ROD FEHRING**
EXECUTIVE GENERAL MANAGER, RESIDENTIAL
AUSTRALAND PROPERTY GROUP

4 **KIERAN PRYKE**
CHIEF FINANCIAL OFFICER
AUSTRALAND PROPERTY GROUP

5 **MICHAEL NEWSOM**
GENERAL COUNSEL
AUSTRALAND PROPERTY GROUP

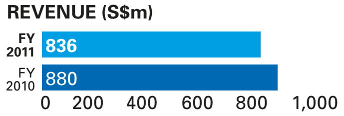
6 **BEV BOOKER**
COMPANY SECRETARY
AUSTRALAND PROPERTY GROUP

7 **CHRIS WARRELL**
EXECUTIVE GENERAL MANAGER, HUMAN RESOURCES
AUSTRALAND PROPERTY GROUP

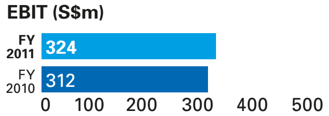
RHODES CORPORATE PARK – BUILDING B
SYDNEY, AUSTRALIA

S$176m
Australand achieved a 6% increase in operating profit to A$135 million (S$176 million) in 2011

REVENUE (S$m)



EBIT (S$m)



EBIT was up, reflecting an increase in residential sales and growth in investment property earnings.

Australand is one of Australia's leading diversified property groups and remains a key subsidiary of CapitaLand. Operating in the residential, commercial and industrial markets, Australand's activities include the development of residential land, housing and apartments and the development of, and investment in, income producing commercial and industrial properties.

Australand delivered a solid result for 2011 with operating earnings up 6% year-on-year to A$135 million (S$176 million). Statutory profit for the year was A$141 million (S$184 million). Distributions for the full year totalled A$0.215 (S$0.28) per security, representing growth of 5%.

The result was achieved whilst maintaining sound capital management metrics and continuing to position the business for the future through investment in new projects, technology, its brand and its people. The operating performance reflects the resilience of the Group's high quality investment portfolio as well as improved earnings from development activities.

STRONG OPERATING PLATFORM

The investment property portfolio, contributing 68% of Australand's earnings, continued its track record of growth in 2011. Portfolio metrics remained very strong with occupancy of over 99% and a weighted average lease expiry of 5.8 years.

The Residential division delivered 2,536 lot sales in 2011, representing a 15% increase on 2010. The Australian residential market continues to be supported by sound fundamentals in most markets and the division remains well positioned with over 21,000 lots under management in its development pipeline at an estimated end value of A$8.1 billion (S$10.5 billion), underpinning future earnings.

The Commercial & Industrial division successfully completed 13 industrial projects with a combined end value of approximately A$300 million (S$390 million) and continues to make good progress securing new projects.

Australand introduced high quality capital partners to its business in 2011 including the Government of Singapore Investment Corporation, through the establishment of the Australand Logistics Joint Venture, and LaSalle Investment Management with the establishment of two residential development joint ventures.

LOOKING AHEAD

The Australian economy is expected to continue to benefit from the significant investment in the resources sector, underpinning employment and population growth. Australand has a clear strategy and competitive advantages in each of the sectors it operates in. Its healthy pipeline of residential, office and industrial projects and the expected growth in investment earnings provide reasons for the Group to be optimistic about the outlook.

S$390m
Commercial & Industrial division successfully completed 13 industrial projects with a combined end value of approximately A$300 million (S$390 million)

Surbana Corporation

1 **TAN KIANG HWEE**
GROUP CEO
SURBANA CORPORATION PTE. LTD.

2 **SOH WAH MENG**
CEO
SURBANA INTERNATIONAL CONSULTANTS

3 **PUAH TZE SHYANG**
CEO
SURBANA LAND

4 **CHIA CHAY YEOW**
GROUP CHIEF FINANCIAL OFFICER
SURBANA CORPORATION PTE. LTD.

5 **SEBASTIAN TAN**
GROUP CHIEF HUMAN RESOURCE OFFICER
SURBANA CORPORATION PTE. LTD.

6 **TITUS MOHAN ALEXANDER**
SENIOR DIRECTOR, CORPORATE SERVICES
SURBANA CORPORATION PTE. LTD.

SURBANA INTERNATIONAL CONSULTANTS (SIC)

7 **LOW CHER EK**
MANAGING DIRECTOR
TOWNSHIP AND RESIDENTIAL

8 **LOH YAN HUI**
MANAGING DIRECTOR
COASTAL ENGINEERING AND INFRASTRUCTURE

9 **JEFFREY HO**
MANAGING DIRECTOR
SURBANA URBAN PLANNING GROUP

SURBANA LAND (SLPL)

10 **HENG HUA JEE**
HEAD OF PROJECT MANAGEMENT
TEAM 1

11 **LEE YANG YEN**
HEAD OF PROCUREMENT CONTRACTS AND COST MANAGEMENT

12 **TERENCE LU**
HEAD OF PROJECT MANAGEMENT
TEAM 2

XI'AN TOWNSHIP (PHASE 3A)
CHINA

> Surbana Land will anchor in Chinese cities where it has established a brand name and business network to seek new investment opportunities

Surbana's two businesses of building consultancy and township development continued to enjoy good growth in 2011. For FY2010 ended 31 March 2011, Surbana achieved a record revenue of S$280.8 million and an EBIT of S$67.3 million.

CONSULTANCY ARM MAKING INROADS INTO NEW MARKETS

Surbana International Consultants (SIC) provides full-service building consultancy solutions across the value chain, including urban planning, architecture, engineering, quantity surveying, project and construction management, coastal engineering and infrastructure, building technology, sustainable design and city management.

SIC's core expertise is in designing integrated townships and mass housing, and a key client is Singapore's Housing & Development Board (HDB). SIC has benefited from HDB's ramped-up public housing building programme in 2011. At the same time, SIC has made further inroads into the private and public sectors in Singapore and overseas to drive business growth.

Notable projects secured in 2011 included the Nautical condominium in Sembawang and the Singapore University of Technology and Design. SIC was also awarded a number of projects by CapitaLand.

One of the key projects completed in 2011 was the Punggol Waterway, a 4.2 km waterway that meanders through Punggol New Town to provide a new waterfront lifestyle for residents. SIC was the full-suite consultant for this important national project. SIC also completed master planning projects for Rizhao Marine City in China and the Mumbai Metropolitan Region in India.

SIC won various industry awards in 2011, including a clean sweep of five HDB Design Awards and three FIABCI Singapore Property Awards.

> Surbana International Consultants won over a dozen industry awards in 2011, underlying its expertise in designing well-integrated townships and quality mass housing

TOWNSHIP DEVELOPMENT BUSINESS GEARS UP FOR GROWTH

Surbana Land (SLPL) has continued on a steady growth path in 2011. In July 2011, SLPL acquired its fifth residential site in Chengdu, China, for RMB 677 million (approximately S$138 million) through a public auction. The 7.5-hectare site will yield a potential gross floor area of over 300,000 sqm or about 3,400 apartments. SLPL's investment was a strategic move to add to its land bank and to drive business growth. In all, SLPL is developing over 57,000 homes in Chengdu, Xi'an, Wuxi and Shenyang.

2011 also saw SLPL achieve a new daily sales record when it sold 720 units in Phase 3A of the La Botanica project in Xi'an, China on 1 October. This broke the previous record of 583 units sold in a day in an earlier phase of the same project exactly a year ago. As of 31 December 2011, SLPL has sold 14,356 units in its township projects.

> **14,000** homes
> Since entering the township development business in 2003, Surbana has sold over 14,000 homes in its four townships in China

OVERCOMING CHALLENGES TO SUSTAIN BUSINESS GROWTH

Prospects for Surbana remain good for the next two to three years. For consultancy, competition will be a key challenge. But with SIC's strength as a leading expert in designing integrated townships and mass housing, it will be well-placed to exploit the growing global demand for affordable homes, especially in emerging markets. At the same time, SIC's inroads into private, institutional and commercial developments will help drive business growth for the consultancy arm.

Going forward, the township development business is expected to contribute significantly to Surbana's top and bottom lines as the township projects are progressively being completed. Surbana Land will anchor in cities where it already has a presence. To this end, it has launched a second Surbana Township Development Fund in November 2011 to support future investments.

Human Resource

Senior management making time to 'Build People'

CapitaLand recognises the importance of developing and growing human capital and has an integrated human capital strategy to recruit, develop and motivate employees. To live its credo of "Building People", employees are provided with appropriate training to equip them to achieve at optimal levels, and to align their personal goals with the company's performance objectives. A positive work environment is also created for employees to contribute and pursue their career growth.

TALENT MANAGEMENT

CapitaLand identifies talents internally and externally to continue its efforts to build bench strength as well as facilitate succession planning to ensure leadership continuity. CapitaLand has recruited talents through its network with both local and overseas universities, and also attracted future leaders through scholarships such as the CapitaLand–BCA Scholarship, CapitaLand-NUS-USP Scholarship, CapitaLand International Scholarship and CapitaLand-MOM National Human Resources Scholarship. Aside from undergraduates and fresh graduates, CapitaLand also employs young and mid-career professionals as well as industry veterans.

Over 8,350
training places
Launched in 2006, the CapitaLand Institute of Management and Business (CLIMB) has provided over 8,350 training places for employees from various countries

During the year, CapitaLand continued to provide training and development opportunities to equip employees for the competitive business environment internationally. Launched in 2006, the CapitaLand Institute of Management and Business (CLIMB) has provided over 8,350 training places for employees from various countries. The Ascott Centre for Excellence (ACE), Ascott's global hospitality training centre in Singapore, has trained more than 2,400, including employees from the hotel and accommodation services sector. CapitaLand's successful ICE (Innovation, Creativity, Entrepreneurship) programme continues to inspire employees to generate or build on business ideas. To date, more than 1,700 employees have shared ideas at 32 ICE camps and related activities held in various countries. Staying true to its credo of "Building People", the Group actively encourages internal transfers across job functions, business units and geographies to offer more career opportunities to its employees.

COMPETITIVE COMPENSATION/BENEFITS

CapitaLand motivates and rewards employees with comprehensive and competitive compensation and benefits programmes. Incentives include short-term cash bonuses and long-term equity-based reward plans. The performance-based Restricted Stock Plan is an attractive long-term incentive offered to employees 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. Regular benchmarking against different markets and innovation in compensation strategies ensure CapitaLand remains competitive and continues to attract and retain talent.

Regular benchmarking against different markets and innovation in compensation strategies ensure CapitaLand remains competitive and continues to attract and retain talent

POSITIVE WORK ENVIRONMENT

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

CapitaLand has grown significantly over the years to be an international company with business presence in more than 20 countries and 110 cities. The diversity of employee profiles provides competitive advantage in terms of balance and scale, guided by the company's core values and operating principles.

Corporate Social Responsibility

Launch of Green for Hope @ CapitaLand 2011 in partnership with CDCs to benefit the underprivileged children in Singapore

CapitaLand was listed on the Global 100 Most Sustainable Corporations in the World

CapitaLand is committed to be a good corporate citizen in the communities we operate. In line with its credo of "Building People", the focus of CapitaLand's corporate social responsibility (CSR) efforts is in the areas of corporate philanthropy, volunteerism, community and the environment. For its efforts, CapitaLand was listed on the Global 100 Most Sustainable Corporations in the World by Corporate Knights and the Sustainability Yearbook 2012 and was one of three Singapore companies in the Dow Jones Sustainability Asia Pacific Index.

S$15m
Since 2005, CHF has donated more than S$15 million

CORPORATE PHILANTHROPY

CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand, was established in 2005 to further CapitaLand's CSR commitment to build a better future for underprivileged children. Every year, CapitaLand allocates up to 0.5% of its net profit to CHF. Since 2005, CHF has donated more than S$15 million to support programmes for the shelter, education and healthcare needs of underprivileged children in the communities where CapitaLand operates.

In Singapore, CapitaLand extended its reach to the underprivileged children with its first-time partnership with the five Community Development Councils (CDCs) through Green for Hope @ CapitaLand, an annual creative recycling campaign that marries green efforts with philanthropy. Through matching donations according to the amount of recyclable waste collected at participating CapitaLand properties, CHF donated S$700,000 to support key programmes identified by the respective CDCs to benefit more than 5,000 underprivileged children. The second leg of Green for Hope programme, Green for Hope @ Primary Schools where CHF matched donations for the recyclable waste collected at primary schools, received 100% participation from local primary schools in Singapore and raised more than S$1 million for the welfare fund of 179 primary schools.

In conjunction with the launch of CapitaLand Orchids, Cattleya CapitaLand and Phalaenopsis CapitaLand, 10 sets of the specially-minted blooms of the two prized hybridized orchid species were designed and sold to corporate donors to raise funds for the President's Challenge 2011. CHF matched dollar-for-dollar towards the funds raised from the initiative, bringing the donation to a total of S$400,000 to benefit eight children beneficiaries under President's Challenge 2011. The Guest-of-Honour, His Excellency Dr Tony Tan Keng Yam, President of the Republic of Singapore, unveiled the two orchids with Mr Liew Mun Leong, President & CEO of CapitaLand Group, and presented the commemorative sets to the donors at the event.

Through My Schoolbag, a signature annual CSR programme by CapitaMalls Asia, whereby schoolbags containing school and daily necessities were given to underprivileged children, CHF donated S$500,000 to benefit nearly 19,000 underprivileged children in Singapore, China, Malaysia, India and Japan. Another signature CSR programme called Kids' Food Fund, a food security and nutrition programme launched in 2010 by CHF, also expanded its reach to Vietnam this year. A total donation of S$360,000 was made to fund food-related initiatives for more than 12,000 underprivileged children in Asia, including Singapore, China, Thailand and the Philippines.

S$500,000
Through My Schoolbag, CHF donated S$500,000 to benefit nearly 19,000 underprivileged children in Singapore, China, Malaysia, India and Japan

Corporate Social Responsibility

Staff volunteers spent two weeks imparting knowledge to CapitaLand Hope School's children in Inner Mongolia

CapitaLand has 21 CapitaLand Hope Schools in operations or under development in remote areas of China to provide underprivileged children with a conducive learning environment. This year, CapitaLand extended its reach to Vietnam and built its first Hope School, CapitaLand Nang Yen Primary Hope School, in Phu Tho Province, one of the poorest mountainous provinces.

CapitaLand cares for the community in which it operates. During the earthquake and tsunami disaster in Japan, a group-wide donation drive was conducted where staff from all over the world responded generously and their contributions were matched dollar-for-dollar by CHF. A total donation of $250,000 was raised for 'Save the Children Japan' to fund relief efforts for the affected children.

9,800
hours
In 2011, CapitaLand staff volunteered over 9,800 hours in various activities across Asia

VOLUNTEERISM

Besides corporate philanthropy, CapitaLand actively promotes volunteerism in our people. Each staff is given three days of paid volunteer service leave each year for charitable work of their choice. In 2011, CapitaLand staff volunteered over 9,800 hours in various activities across Asia. In Singapore, staff participated in various local volunteer activities including P.E.E.K. (Providing Educational Exposure for Kids) at ION Orchard and Kids' Food Fund Children's Day Expedition at the Singapore Zoological Gardens. These activities provided opportunities for staff to interact with the children beneficiaries supported by CHF and promote greater CSR involvement within the company.

CapitaLand organised two staff volunteer expeditions to Vietnam and China in 2011 to engage staff in overseas community service projects and shower love and care for our children beneficiaries. 40 international and local staff volunteers participated in the Vietnam expedition by working on the construction site of CapitaLand Nang Yen Primary Hope School to complete the final upgrading phase of the new two-storey classroom building.

In China, a group of 28 international and local staff volunteers also embarked on an expedition to CapitaLand Xingfuzhilu Hope School located in the Inner Mongolia grassland. The expedition was themed "Building for Tomorrow • Sharing the Love" and staff volunteers imparted knowledge to the students through conducting interesting classroom lessons and holding meaningful interaction activities.

Award winning Wear Less Day Campaign at Capital Tower with the participants and CapitaFrog, CapitaLand's mascot for green community programmes

COMMUNITY

CapitaLand is the Presenting Sponsor and Conservation Donor of the Giant Pandas collaborative programme to promote conservation of the Giant Pandas for 10 years. This further strengthens the strong relationship between Singapore and China and is also a testament of CapitaLand's long-term commitment to China. A nationwide naming contest was organised to name the Giant Pandas and approximately 1,000 entries were submitted by the public. A distinguished judging panel selected "Kai Kai" (凯凯) and "Jia Jia" (嘉嘉) as the winning names for the male and female Giant Pandas respectively.

ENVIRONMENT

For demonstrating best practices in 'green' excellence and innovation, CapitaLand was conferred the Asia Pacific Green Builder of the Year award at the inaugural 2011 Frost & Sullivan Asia Pacific Green Excellence Awards. In 2011, CapitaLand obtained 17 green building awards. JCube, a shopping mall in Singapore, clinched the prestigious Building and Construction Authority (BCA) Green Mark Platinum award. CapitaLand also obtained its first green rating award in Japan and Malaysia with the CASBEE "A" rating for Vivit Square (Japan) and BCA Green Mark Gold for Gurney Plaza (Malaysia).

CapitaLand was conferred the Asia Pacific Green Builder of the Year award at the inaugural 2011 Frost & Sullivan Asia Pacific Green Excellence Awards

As environmental sustainability and occupational health and safety are of paramount importance to CapitaLand, it extended its ISO 14001 and OHSAS 18001 certification (international standards which are externally audited) beyond Singapore, China, Japan, Malaysia and Vietnam to Australia, France, India, Philippines, Thailand and United Kingdom in 2011, more than doubling its earlier geographical reach. Recognising its extensive environmental management system, Global Real Estate Sustainability Benchmark (GRESB) acknowledged CapitaLand as one of the Asian leaders in environmental management in its 2011 survey.

ISO 14001 and OHSAS 18001 certification in 11 countries

Through its Building A Greener Future programme, CapitaLand encourages staff, tenants and the community to play their part in protecting the environment. It launched the award winning Wear Less Day campaign in Singapore. Organised in conjunction with WWF's Earth Hour, CapitaLand staff and participating office tenants in Singapore were encouraged to dress down while the air conditioning temperatures at their workplaces are turned up. For Earth Hour, more than 200 CapitaLand properties worldwide turned off non essential lights through the night.

In 2011, CapitaLand Green for Hope programme continued to receive overwhelming response. The total collection of recyclable waste by all primary schools and 24 CapitaLand properties in Singapore exceeded 1.4 million kilogrammes.

1.4m
kilogrammes
Over 1.4 million kilogrammes of recyclable waste collected under CapitaLand Green for Hope Programme

Residential

As at 31 December 2011

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 Seafront on Meyer	Meyer Road	100%	52,474	327	Freehold
CHINA					
Beaufort (Phase 1)	Chaoyang District, Beijing	50%	37,705	467	70
Beau Residences	Chancheng District, Foshan	100%	45,912	648	70
The Riviera	Chancheng District, Foshan	100%	58,254	208	70
Riverside Ville	Chancheng District, Foshan	100%	111,524	758	70
The Loft Chengdu (Phase 1)	Qingyang District, Chengdu	56%	191,168	1,814	70
VIETNAM					
The Vista	District 2, Ho Chi Minh City	80%	190,374	850	Freehold
UNITED KINGDOM					
25 Kensington Square	Central London	33.3%	239	1	Freehold

Name	Location	Expected Completion Date	Effective Stake (%)	Gross Floor Area (sqm)	Approximate Percentage Completion	Total No. of Units	Tenure (Years)
UNDER DEVELOPMENT							
SINGAPORE							
d'Leedon	Leedon Heights/ King's Road/Farrer Road	2014	35%	218,519	21%	1,715	99
The Interlace	Alexandra Road/ Depot Road	2014	60%	169,600	47%	1,040	99
The Nassim	Nassim Hill	2014	100%	15,942	10%	55	Freehold
The Wharf Residence	Tong Watt Road	2012	100%	27,168	71%	186	999
Urban Resort Condominium	Cairnhill Road	2013	100%	14,890	29%	64	Freehold
Urban Suites	Cairnhill Road	2013	50%	24,263	30%	165	Freehold
CHINA							
Beaufort (Phase 2)	Chaoyang District, Beijing	2013	50%	17,365	29%	220	70
Dolce Vita (Phase 1)	Baiyun District, Guangzhou	2013	48%	128,867	77%	1,033	70
Imperial Bay	Gongshu District, Hangzhou	2013	50%	85,100	23%	462	70
La Cité Foshan	Chancheng District, Foshan	2013	100%	80,767	40%	879	70

Residential

As at 31 December 2011

Name	Location	Expected Completion Date	Effective Stake (%)	Gross Floor Area (sqm)	Approximate Percentage Completion	Total No. of Units	Tenure (Years)
UNDER DEVELOPMENT							
CHINA							
Royal Residences	Dongcheng District, Beijing	2012	100%	14,123	40%	26	70
The Loft Chengdu (Phase 2)	Qingyang District, Chengdu	2014	56%	270,090	27%	2,632	70
The Metropolis (Phase 1)	Huaqiao District, Kunshan	2013	70%	168,356	48%	1,542	70
The Pinnacle (Phase 1)	Pudong District, Shanghai	2013	80%	52,594	90%	539	70
The Paragon	Luwan District, Shanghai	2014	99%	78,440	41%	271	70
99 Hengshan Road	Xuhui District, Shanghai	2013	100%	14,850	25%	90	50
Tianjin International Trade Centre	Hexi District, Tianjin	2014	100%	111,732 (residential) 73,759 (commercial)	11%	1,305	50
JAPAN							
Parkhouse Shinjuku Tower	Shinjuku Ward, Tokyo	2012	20%	19,000	89%	298	Freehold
VIETNAM							
Beau Rivage (Phase 1 of Thanh My Loi Site)	District 2, Ho Chi Minh City	2014	30%	195,308	9%	962	Freehold
Mulberry Lane	Ha Dong District, Hanoi	2013	70%	235,631	37%	1,478	Freehold
Value Homes							
PARCSpring	District 2, Ho Chi Minh City	2014	35%	90,574	24% (Phase 1)	974	Freehold

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)
FUTURE DEVELOPMENTS					
SINGAPORE					
Sky Habitat	Bishan Street 15	65%	58,786	509	99
Site at Marine Parade Road	Marine Parade Road	100%	9,986	150	Freehold
Site at Yio Chu Kang Road	Yio Chu Kang Road	100%	19,330	80 (estimated)	Freehold
FUTURE DEVELOPMENTS *(cont'd)*					
CHINA					
Beaufort (Phase 3 to 4)	Chaoyang District, Beijing	50%	46,394	450	70
Summit Residences, Ningbo (Plot 1)	Jiangbei District, Ningbo	50%	10,830	38	70
The Metropolis (Phase 2 to 6)	Huaqiao District, Kunshan	70%	483,217	3,872	70
The Pinnacle (Phase 2)	Pudong District, Shanghai	80%	48,423	380	70
Vermont Hills	Changping District, Beijing	80%	257,706	793	70
Dolce Vita	Baiyun District, Guangzhou	48%	222,613	1,743	70
Hangzhou Hemu A26 Site	Gongshu District, Hangzhou	100%	80,105	700	70
LFIE	Panyu District, Guangzhou	45%	1,087,362	8,060	70
Value Homes					
Lakeside	Caidian District, Wuhan	100%	224,509	2,504	70
Lanhe Site	Panyu District, Guangzhou	100%	236,082 (includes social housing and commercial)	1,500 (estimated and excludes social housing)	70
Wanxiang G0302 Site	Pudong District, Shanghai	95%	90,148	900 (estimated)	70
VIETNAM					
Thanh My Loi Site (Phase 2)	District 2, Ho Chi Minh City	30%	40,000 (estimated)	78 (includes 28 shop houses)	Freehold
Mo Lao Site	Ha Dong District, Hanoi	35%	200,000 (estimated)	1,300 (estimated)	Freehold
Value Homes					
Binh Chanh Site	Binh Chanh District, Ho Chi Minh City	65%	75,000 (estimated)	800 (estimated)	Freehold

Commercial

As at 31 December 2011

SIX BATTERY ROAD
SINGAPORE

Name	Location	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)
COMPLETED PROJECTS				
OFFICE				
SINGAPORE				
PWC Building	Cross Street	30%	33,080	99
CHINA				
Innov Tower	Xuhui District, Shanghai	50%	40,445	50
JAPAN				
Shinjuku Front Tower	Shinjuku Ward, Tokyo	20%	92,092	Freehold
UNITED KINGDOM				
1 Derry Street	Central London	33.3%	3,020	Freehold
INDUSTRIAL				
SINGAPORE				
Technopark@Chai Chee	Chai Chee Road	100%	105,384	60
25A Changi South Street 1	Changi South	62%	3,496	30
15 Changi South Street 1	Changi South	62%	3,774	30
743 Lorong 5 Toa Payoh	Toa Payoh	62%	8,093	60
615 Lorong 4 Toa Payoh	Toa Payoh	62%	7,447	60
CHINA				
Corporation Park	Sha Tin, Hong Kong	30%	40,099 (GFA)	54
UNDER DEVELOPMENT				
HOTEL				
CHINA				
The Paragon/ChangLe Lu Hotel	Luwan District, Shanghai	99%	66,160 (GFA)	50
INDUSTRIAL IT PARK/OFFICE				
INDIA				
Site at Trans Thana Creek	Thana District, Navi Mumbai	49%	273,162	100
HELD THROUGH CAPITACOMMERCIAL TRUST				
COMPLETED PROJECTS				
CAR PARK				
SINGAPORE				
Golden Shoe Car Park	Market Street	32%	4,056	99
OFFICE				
SINGAPORE				
Bugis Village	Queen Street/Rochor Road/ Victoria Street	32%	11,498	99
HSBC Building	Collyer Quay	32%	18,624	999
Six Battery Road	Battery Road	32%	46,124	999
Capital Tower	Robinson Road	32%	68,836	99
One George Street	George Street	32%	41,622	99
Wilkie Edge	Wilkie Road	32%	13,880 (excludes serviced residences)	99
UNDER DEVELOPMENT				
OFFICE				
SINGAPORE				
CapitaGreen	Market Street	62.8%	79,383 (GFA)	99

Shopping Malls

As at 31 December 2011

ION ORCHARD AND THE ORCHARD RESIDENCES
SINGAPORE

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
COMPLETED PROJECTS				
CHINA				
CapitaMall Weifang	Gaoxin District, Weifang	29.5%	36,342	Expiring in October 2044
CapitaMall Jiulongpo, Chongqing	Jiulongpo District, Chongqing	47.8%	38,909	Expiring in October 2042
CapitaMall Yuhuating, Changsha	Yuhua District, Changsha	47.8%	47,194	Expiring in March 2044
CapitaMall Chengnanyuan, Nanchang	Qingyunpu District, Nanchang	29.5%	37,349	Expiring in February 2045
CapitaMall Guicheng, Foshan	Nanhai District, Foshan	47.8%	36,117	Expiring in August 2044
CapitaMall Quanzhou	Licheng District, Quanzhou	29.5%	29,860	Expiring in February 2045
CapitaMall Jinniu, Chengdu (Phase 1)	Jinniu District, Chengdu	29.5%	48,806	Expiring in October 2044
CapitaMall Maoming	Maogang District, Maoming	47.8%	30,233	Expiring in November 2044
CapitaMall Zhangzhou	Xiangcheng District, Zhangzhou	47.8%	30,560	Expiring in December 2043
CapitaMall Fucheng, Mianyang (Phase 1)	Fucheng District, Mianyang	29.5%	34,465	Expiring in September 2044
CapitaMall Zhanjiang	Chikan District, Zhanjiang	29.5%	33,144	Expiring in December 2044
CapitaMall Zibo	Zhangdian District, Zibo	29.5%	31,110	Expiring in March 2045
CapitaMall Peace Plaza, Dalian	Shahekou District, Dalian	19.6%	104,173	Expiring in November 2035
CapitaMall TianjinOne, Tianjin	Hexi District, Tianjin	19.6%	41,208	Expiring in September 2054
CapitaMall Shapingba, Chongqing	Shapingba District, Chongqing	19.6%	26,858	Master Lease expiring in December 2023
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	29.5%	32,743	Expiring in May 2055

Shopping Malls

As at 31 December 2011

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
COMPLETED PROJECTS *(cont'd)*				
CHINA				
CapitaMall Deyang	Jingyang District, Deyang	29.5%	30,166	Expiring in November 2045
CapitaMall Nan'an, Yibin	Cuiping District, Yibin	29.5%	27,870	Expiring in May 2045
CapitaMall Dongguan	Nancheng District, Dongguan	29.5%	32,043	Expiring in January 2055
CapitaMall Shawan, Chengdu	Jinniu District, Chengdu	19.6%	26,920	Commercial: Expiring in January 2046 Underground carpark: Expiring in January 2076
CapitaMall Taohualun, Yiyang	Heshan District, Yiyang	29.5%	23,417	Expiring in June 2045
CapitaMall Yangzhou	Weiyang District, Yangzhou	29.5%	35,932	Expiring in July 2039/ April 2045
CapitaMall Hongqi, Xinxiang	Hongqi District, Xinxiang	29.5%	25,404	Expiring in November 2045
CapitaMall Kunshan	Yushan town, Kunshan	29.5%	27,338	Expiring in May 2045
CapitaMall Aidemengdun, Harbin	Daoli District, Harbin	29.5%	27,097	Expiring in September 2042
CapitaMall Cuiwei, Beijing	Haidian District, Beijing	29.5%	35,530	Commercial: Expiring in May 2046 Underground carpark: Expiring in May 2056
CapitaMall Beiguan, Anyang	Beiguan District, Anyang	29.5%	25,742	Expiring in March 2046
CapitaMall Jinshui, Zhengzhou	Jinshui District, Zhengzhou	19.6%	36,070	Expiring in July 2045

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
COMPLETED PROJECTS *(cont'd)*				
CHINA				
Minhang Plaza, Shanghai*	Minhang District, Shanghai	9.8%	110,640	Expiring in December 2053
Hongkou Plaza, Shanghai*	Hongkou District, Shanghai	14.7%	92,276	Expiring in September 2057
CapitaMall Crystal, Beijing	Haidian District, Beijing	29.5%	39,362	Commercial: Expiring in January 2043 Underground carpark: Expiring in January 2053
INDIA				
Forum Value Mall, Bangalore	Whitefield, Bangalore	10.4%	27,059	Freehold
The Celebration Mall, Udaipur	National Highway 8, Udaipur	24.4%	36,398	99 years, expiring in May 2103
JAPAN				
Chitose Mall	Chitose-shi, Hokkaido	17.2%	15,691	Freehold
Coop Kobe	Nishinomiya-shi, Hyogo	17.2%	7,970	Freehold
Ito Yokado Eniwa	Eniwa-shi, Hokkaido	17.2%	14,843	Freehold
Izumiya Hirakata	Hirakata-shi, Osaka	17.2%	20,043	Freehold
La Park Mizue	Mizue, Edogawa-ku, Tokyo	17.2%	18,430	Freehold
Narashino Shopping Centre	Funabashi-shi, Chiba	17.2%	10,737	Freehold
Vivit Square	Funabashi-shi, Chiba	17.2%	49,628	Freehold
MALAYSIA				
Queensbay Mall (approximately 90.7% of retail strata area and 100% of the carpark bays)	Bayan Lepas, Penang	65.5%	82,700	Freehold

* *Acquisition of 50% stake pending completion.*

Shopping Malls

As at 31 December 2011

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure (Years)
UNDER DEVELOPMENT				
SINGAPORE				
The Star Vista (to be completed in 2012)	One Vista Xchange Green	65.5%	N.A.	60 years, expiring in October 2067
CHINA				
CapitaMall Fucheng, Mianyang (Phase 2) (to be completed in 2013)	Fucheng District, Mianyang	29.5%	N.A.	Expiring in June 2047
CapitaMall Jinniu, Chengdu (Phase 2) (to be completed in 2013)	Jinniu District, Chengdu	29.5%	N.A.	Expiring in October 2044
CapitaMall Wusheng, Wuhan (to be completed in 2012)	Qiaokou District, Wuhan	29.5%	N.A.	Expiring in June 2044
CapitaMall Meilicheng, Chengdu (to be completed in 2013)	Chenghua District, Chengdu	65.5%	N.A.	Expiring in August 2044
CapitaMall Tianfu, Chengdu (to be completed in 2013)	Gaoxin District, Chengdu	65.5%	N.A.	Expiring in February 2048
CapitaMall Rizhao (to be completed in 2012)	Donggang District, Rizhao	19.6%	N.A.	Expiring in November 2043
CapitaMall Taiyanggong, Beijing (to be completed in 2012)	Chaoyang District, Beijing	29.5%	N.A.	Expiring in August 2044
CapitaMall Xindicheng, Xi'an (to be completed in 2012)	Yanta District, Xi'an	29.5%	N.A.	Expiring in December 2043
CapitaMall Xuefu, Harbin (to be completed in 2012)	Nangang District, Harbin	29.5%	N.A.	Expiring in December 2045
Luwan Integrated Development, Shanghai (to be completed in 2015)	Luwan District, Shanghai	43.2%	N.A.	Expiring in July 2056
Suzhou Integrated Development* (to be completed in 2017)	Suzhou Industrial Park, Suzhou	32.7%	N.A.	Commercial: Expiring in January 2051 Underground carpark: Expiring in January 2051
INDIA				
Cochin Mall (to be completed in 2016)	Ernakulam District, Cochin	7.4%	N.A.	Freehold
Graphite India, Bangalore (to be completed in 2014)	Whitefield, Bangalore	14.6%	N.A.	Freehold
Hyderabad Mall (to be completed in 2013)	Kukatpally, Hyderabad	7.3%	N.A.	Freehold
Jalandhar Mall (to be completed in 2015)	Paragpur Village, Jalandhar	19.3%	N.A.	Freehold

* *Acquisition pending government approval.*

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
UNDER DEVELOPMENT *(cont'd)*				
INDIA				
Mangalore Mall (to be completed in 2013)	Pandeshwar Road, Mangalore	9.9%	N.A.	Freehold
Mysore Mall (to be completed in 2014)	Abba Road/Hyder Ali Road, Mysore	14.6%	N.A.	Freehold
Nagpur Mall (to be completed in 2015)	Umrer Road, Nagpur	19.3%	N.A.	Freehold
HELD THROUGH CAPITAMALL TRUST (CMT)				
COMPLETED PROJECTS				
SINGAPORE				
Bugis Junction	Victoria Street	18.7%	38,906	99 years, expiring in September 2089
Bukit Panjang Plaza	Jelebu Road	18.7%	14,185	99 years,expiring in November 2093
Clarke Quay	River Valley Road	18.7%	27,372	99 years, expiring in January 2089
Funan DigitaLife Mall	North Bridge Road	18.7%	27,771	99 years, expiring in December 2078
Hougang Plaza	Upper Serangoon Road	18.7%	7,000	99 years, expiring in February 2090
IMM Building	Jurong East	18.7%	87,751	60 years, expiring in January 2049
Junction 8	Bishan	18.7%	23,522	99 years, expiring in August 2090
Lot One Shoppers' Mall	Choa Chu Kang	18.7%	20,387	99 years, expiring in November 2092
Plaza Singapura	Orchard Road	18.7%	46,278	Freehold
Rivervale Mall	Rivervale Crescent	18.7%	7,537	99 years, expiring in December 2096
Sembawang Shopping Centre	Sembawang Road	18.7%	12,189	999 years, expiring in March 2884
Tampines Mall	Tampines Central	18.7%	30,572	99 years, expiring in August 2091
The Atrium@Orchard	Orchard Road	18.7%	33,406	99 years, expiring in August 2107
Iluma	Victoria Street	18.7%	18,051	60 years, expiring in September 2065

Shopping Malls

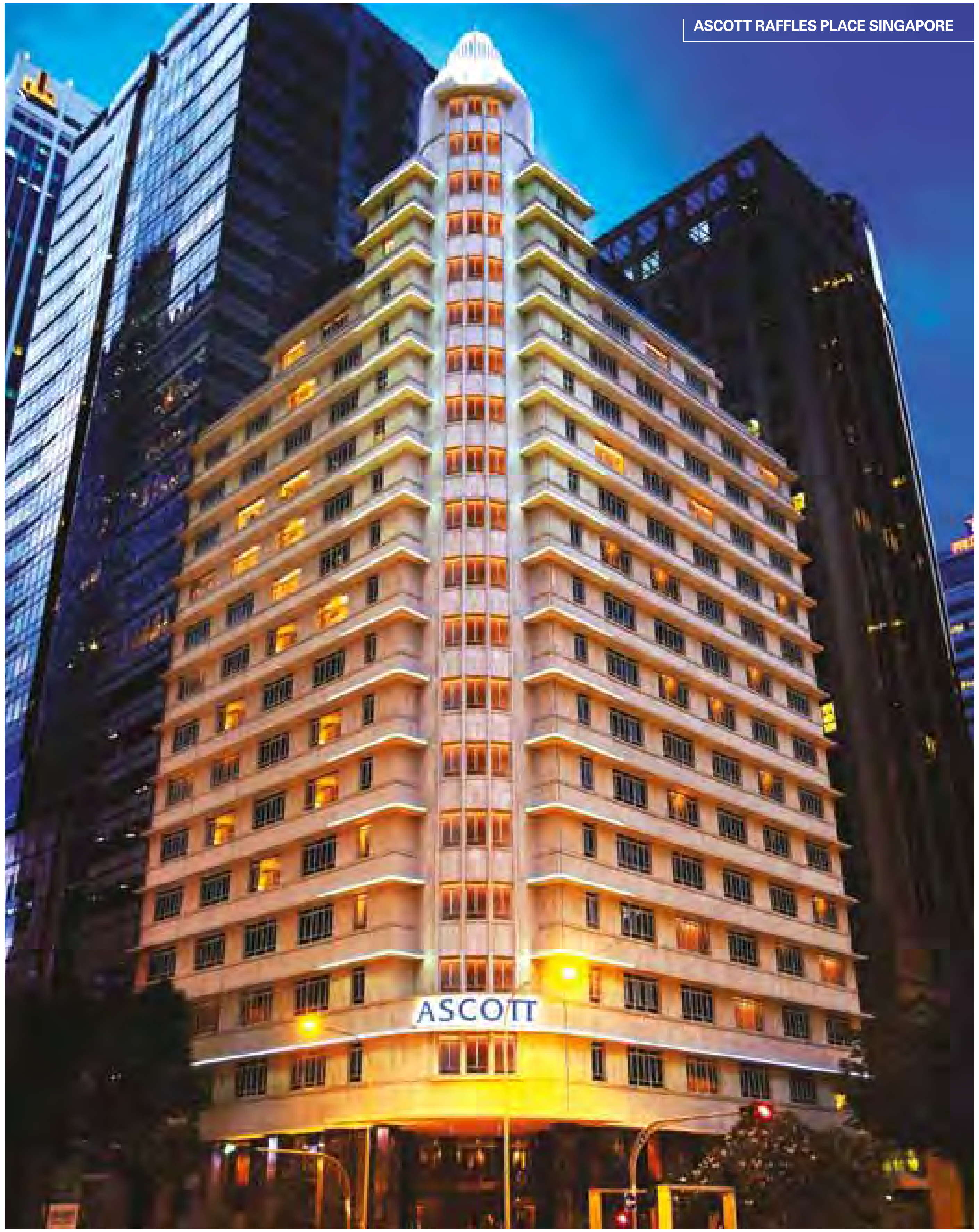
As at 31 December 2011

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
HELD THROUGH CAPITAMALL TRUST (CMT)				
UNDER DEVELOPMENT				
SINGAPORE				
JCube (to be completed in 2012)	Jurong East	18.7%	N.A.	99 years, expiring in February 2090
HELD THROUGH CAPITARETAIL CHINA TRUST (CRCT)				
COMPLETED PROJECTS				
CapitaMall Anzhen, Beijing	Chaoyang District, Beijing	17.7%	43,443	Expiring in October 2034/ March 2042/ June 2042
CapitaMall Erqi, Zhengzhou	Erqi District, Zhengzhou	17.7%	92,356	Expiring in May 2042
CapitaMall Shuangjing, Beijing	Chaoyang District, Beijing	17.7%	49,463	Expiring in July 2042
CapitaMall Wuhu	Jinghu District, Wuhu	23.4%	37,375	Expiring in May 2044
CapitaMall Qibao, Shanghai	Minhang District, Shanghai	17.7%	50,779	Master lease expiring in January 2024
CapitaMall Saihan, Huhhot	Saihan District, Huhhot	17.7%	30,197	Expiring in March 2041
CapitaMall Wangjing, Beijing	Chaoyang District, Beijing	17.7%	56,193	Expiring in May 2043/ May 2053
CapitaMall Xizhimen, Beijing	Xicheng District, Beijing	17.7%	51,203	Underground commercial and retail use: Expiring in August 2044 Intergrated use: Expiring in August 2054
CapitaMall Minzhongleyuan, Wuhan	Jianghan District, Wuhan	17.7%	23,216	Annex Building: Expiring in September 2045 Conserved Building: Master Lease expiring in June 2044

Name	Location	Effective Stake (%)	Operational Net Lettable Area (sqm)	Tenure
HELD THROUGH CAPITAMALLS MALAYSIA TRUST (CMMT)				
COMPLETED PROJECTS				
East Coast Mall	Putra Square, Kuantan	23.4%	41,018	99 years, expiring in December 2106
Gurney Plaza	Persiaran Gurney, Penang	23.4%	81,048	Freehold
The Mines	Jalan Dulang, Selangor	23.4%	66,662	99 years, expiring in March 2091
Sungei Wang Plaza (approximately 61.9% of aggregate retail floor area and 100% of the carpark bays)	Jalan Sultan Ismail, Kuala Lumpur	23.4%	41,602	Freehold

Serviced Residences

As at 31 December 2011



ASCOTT RAFFLES PLACE SINGAPORE

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	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	310	70
Ascott Guangzhou	Tianhe District, Guangzhou	100%	19,797	208	70 (Residential) 50 (Commercial) 40 (Retail)
Citadines Ashley Hongkong	Tsim Sha Tsui District, Hong Kong	100%	2,632	36	150
Citadines Biyun Shanghai	Jinqiao Export Processing Zone, Shanghai	36.1%	15,877	196	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 Xinghai Suzhou	Suzhou Industrial Park, Suzhou	100%	10,166	167	70 (Residential) 50 (Commercial) 40 (Retail)
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 Heping Shenyang	Heping District, Shenyang	36.1%	33,031	270	40
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%	30,455	200	50
Somerset Youyi Tianjin	Hexi District, Tianijn	36.1%	31,031	250	50
Somerset ZhongGuanCun Beijing	Haidian District, Beijing	100%	19,975	154	70 (Residential) 50 (Commercial) 40 (Retail)
FRANCE					
Ascott Arc de Triomphe Paris	Avenue Kleber, Paris	100%	9,700	106	Freehold
GERMANY					
Citadines Messe Frankfurt (under construction)	Europa-Boulevard, Frankfurt	100%	8,104	165	Freehold
Citadines Michel Hamburg (under construction)	Ludwig-Erhard-Straβe, Hamburg	100%	6,725	128	99

Serviced Residences

As at 31 December 2011

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
INDIA					
Citadines Galleria Bangalore (under construction)	Yelanhanka, 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	260	Freehold
Citadines Parimal Garden Ahmedabad (under construction)	Central Business District, Ahmedabad	100%	9,118	220	Freehold
Somerset Greenways Chennai	Sathyadev Avenue, Chennai	64.4%	21,933	187	Freehold
Somerset Whitefield Bangalore (under construction)	Whitefield, Bangalore	100%	19,021	280	Freehold
JAPAN					
Citadines Karasuma-Gojo Kyoto	Shimogyo-ku, Kyoto	40%	4,835	124	Freehold
Citadines Shinjuku Tokyo	Shinjuku-ku, Tokyo	40%	6,197	160	Freehold
JAPAN CORPORATE LEASING					
Actus Hakata V-Tower	Hakata-ward, Fukuoka	18.9%	9,248	297	Freehold
Big Palace Kita 14 Jo	Kita-ward, Sapporo	18.9%	5,896	140	Freehold
Colonnade Kamiikedai	Ota-ward, Tokyo	18.9%	5,903	43	Freehold
Fujimi Duplex Riz	Chiyoda-ward, Tokyo	18.9%	1,824	22	Freehold
Fukuoka College Court	Hakata-ward, Fukuoka	18.9%	2,706	112	Freehold
Grand E'terna Chioninmae	Higashiyama-ward, Kyoto	18.9%	1,049	18	Freehold
Grand E'terna Nabeshima	Nabeshima, Saga	18.9%	1,507	46	Freehold
Grand E'terna Nijojomae	Nakagyo-ward, Kyoto	18.9%	1,736	47	Freehold
Grand E'terna Saga	Honjocho, Saga	18.9%	4,973	128	Freehold
Grand Mire Miyamachi	Aoba-ward, Sendai	18.9%	2,306	91	Freehold
Grand Mire Shintera	Wakabayashi-ward, Sendai	18.9%	1,711	59	Freehold
Gravis Court Kakomachi	Naka-ward, Hiroshima	18.9%	2,270	63	Freehold
Gravis Court Kokutaiji	Naka-ward, Hiroshima	18.9%	1,659	48	Freehold
Gravis Court Nishiharaekimae	Asaminami-ward, Hiroshima	18.9%	1,151	30	Freehold
Infini Garden	Hamao District, Fukuoka	30%	36,770	395	Freehold
Kasahokomachi (House Saison Shijo-dori)	Shimogyo-ward, Kyoto	88.9%	5,699	191	Freehold
Marunouchi Central Heights	Naka-ward, Nagoya	88.9%	1,937	31	Freehold
SAMTY Namba-Minami	Naniwa-ward, Osaka	18.9%	4,660	123	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%	3,680	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
The Grandview Osaka	Yodogawa-ward, Osaka	18.9%	10,156	60	Freehold

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
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
Somerset Seri Bukit Ceylon Kuala Lumpur	Lorong Ceylon, Kuala Lumpur	100%	3,604	48	Freehold
SINGAPORE					
Ascott Raffles Place Singapore	Finlayson Green	100%	15,694	146	999
THAILAND					
Ascott Sathorn Bangkok	South Sathorn Road, Bangkok	40%	45,361	177	50
Citadines Sukhumvit 8 Bangkok	Bangkok	49%	8,505	130	Freehold
Citadines Sukhumvit 11 Bangkok	Bangkok	49%	8,215	127	Freehold
Citadines Sukhumvit 16 Bangkok	Bangkok	49%	5,415	79	Freehold
Citadines Sukhumvit 23 Bangkok	Bangkok	49%	8,693	138	Freehold
VIETNAM					
Somerset Central TD Hai Phong City (under construction)	Ngo Quyen District, Hai Phong City	90%	14,531	132	65
HELD THROUGH ASCOTT RESIDENCE TRUST					
AUSTRALIA					
Somerset Gordon Heights Melbourne	Little Bourke Street, Melbourne	48.8%	2,550	43	Freehold
Somerset St Georges Terrace Perth	St Georges Terrace, Perth	48.8%	6,000	84	Freehold
BELGIUM					
Citadines Sainte-Catherine Brussels	Quai au Bois a Bruler, Brussels	48.8%	10,055	169	Freehold
Citadines Toison d'Or Brussels	Avenue de la Toison d'Or, Brussels	48.8%	12,752	154	Freehold
CHINA					
Somerset Grand Fortune Garden Property Beijing	Chaoyang District, Beijing	48.8%	15,780	81	70
Somerset Xu Hui Shanghai	Xu Hui District, Shanghai	48.8%	21,014	167	70
Somerset Olympic Tower Property Tianjin	Heping District, Tianjin	48.8%	32,946	185	70
FRANCE					
Citadines Croisette Cannes	Rue le Poussin, Cannes	48.8%	3,311	58	Freehold
Citadines City Centre Grenoble	Rue de Strasbourg, Grenoble	48.8%	7,872	107	Freehold
Citadines City Centre Lille	Avenue Willy Barndt-Euralille, Lille	48.8%	6,995	101	Freehold
Citadines Presqu'ile Lyon	Rue Thomassin, Lyon	48.8%	6,699	116	Freehold
Citadines Castellane Marseille	Rue de Rouet, Marseille	48.8%	5,877	97	Freehold
Citadines Prado Chanot Marseille	Boulevard de Louvain, Marseille	48.8%	5,390	77	Freehold
Citadines Antigone Montpellier	Boulevard d'Antigone, Montpellier	48.8%	8,914	122	Freehold
Citadines Louvre Paris	Rue de Richelieu, Paris	48.8%	3,663	51	Freehold
Citadines Austerlitz Paris	Rue Esquirol, Paris	48.8%	1,859	49	Freehold
Citadines Prestige Les Halles Paris	Rue des Innocents, Paris	48.8%	10,648	189	Freehold

Serviced Residences

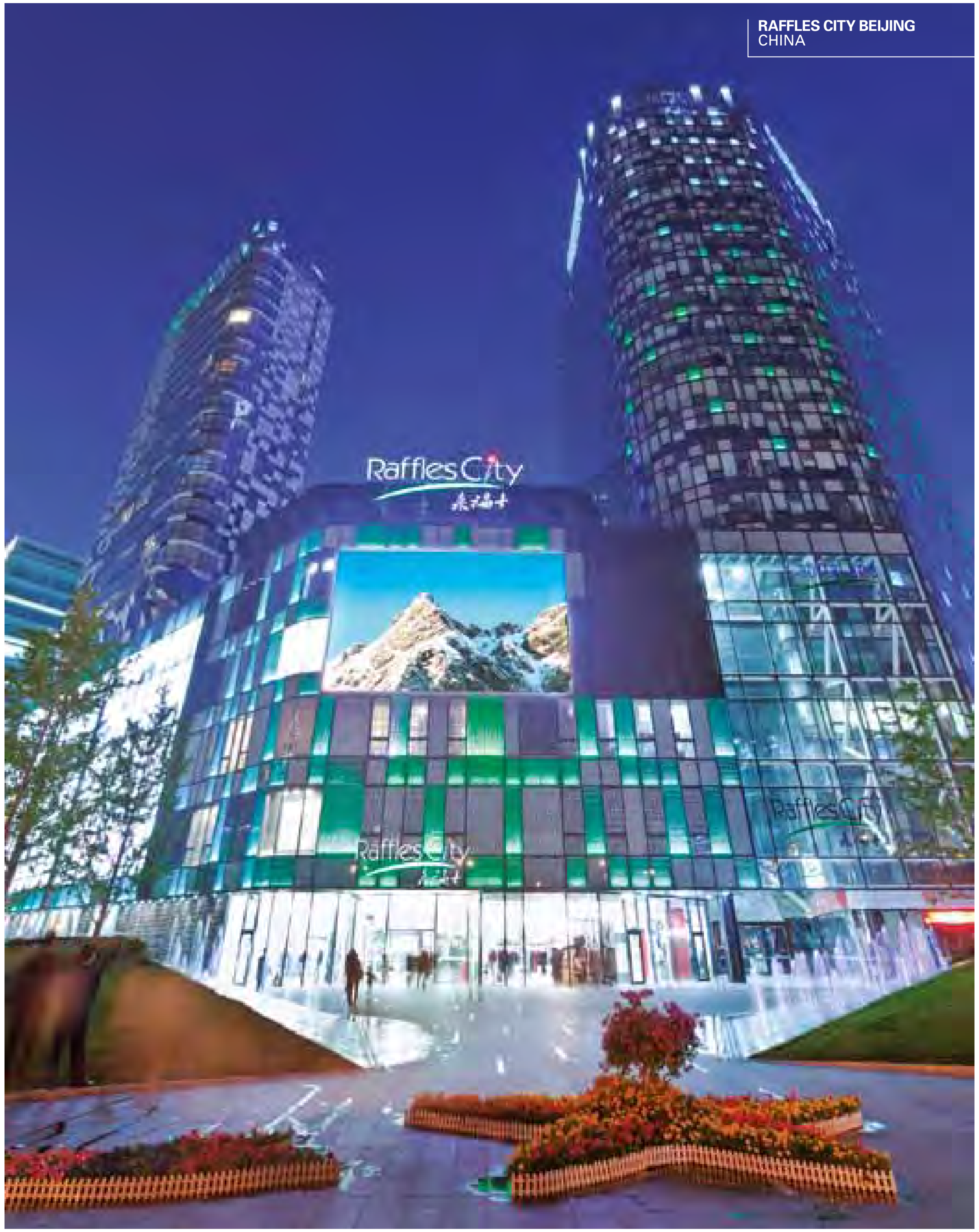
As at 31 December 2011

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
HELD THROUGH ASCOTT RESIDENCE TRUST *(cont'd)*					
FRANCE *(cont'd)*					
Citadines Montmarte Paris	Avenue Rachel, Paris	48.8%	7,989	113	Freehold
Citadines Montparnasse Paris	Avenue du Maine, Paris	48.8%	3,004	67	Freehold
Citadines Place d'Italie Paris	Place d'Italie, Paris	48.8%	8,003	169	Freehold
Citadines Porte de Versailles Paris	Rue Didot, Paris	48.8%	4,618	80	Freehold
Citadines Republique Paris	Avenue Parmentier, Paris	48.8%	6,857	76	Freehold
Citadines Tour Eiffel Paris	Boulevard de Grenelle, Paris	48.8%	8,715	104	Freehold
Citadines Trocadero Paris	Rue Saint-Didier, Paris	48.8%	9,725	97	Freehold
GERMANY					
Citadines Kurfürstendamm Berlin	Olivaer Platz, Berlin	48.8%	6,794	118	Freehold
Citadines Arnulfpark Munich	Arnulfstrasse, Munich	48.8%	8,303	146	Freehold
INDONESIA					
Ascott Jakarta	Jalan Kebon Kacang Raya, Jakarta	48.3%	55,775	198	26
Somerset Grand Citra Jakarta	Jalan Prof Dr Satrio Kav 1, Jakarta	28%	30,072	203	30
JAPAN					
Citadines Shinjuku Tokyo	Shinjuku-ku, Tokyo	29.3%	6,197	160	Freehold
Somerset Azabu East Tokyo	Minato-ku, Tokyo	48.8%	5,896	79	Freehold
Somerset Roppongi Tokyo	Minato-ku, Tokyo	48.8%	4,422	64	Freehold
JAPAN CORPORATE LEASING					
Asyl Court Nakano Sajakue Tokyo	Nakano-ku, Tokyo	48.8%	1,805	62	Freehold
Gala Hachimanyama I Tokyo	Suginami-ku, Tokyo	48.8%	2,556	76	Freehold
Gala Hachimanyama II Tokyo	Suginami-ku, Tokyo	48.8%	474	16	Freehold
Joy City Koishikawa Shokubutsuen Tokyo	Bunkyo-ku, Tokyo	48.8%	1,281	36	Freehold
Joy City Kuramae Tokyo	Taito-ku, Tokyo	48.8%	1,970	60	Freehold
Zesty Akebonobashi Tokyo	Shinjuku-ku, Tokyo	48.8%	375	12	Freehold
Zesty Gotokuji Tokyo	Setagaya-ku, Tokyo	48.8%	420	15	Freehold
Zesty Higashi Shinjuku Tokyo	Shinjuku-ku, Tokyo	48.8%	515	19	Freehold
Zesty Kagurazaka I Tokyo	Shinjuku-ku, Tokyo	48.8%	469	20	Freehold
Zesty Kagurazaka II Tokyo	Shinjuku-ku, Tokyo	48.8%	533	20	Freehold
Zesty Kasugacho Tokyo	Nerima-ku, Tokyo	48.8%	922	32	Freehold
Zesty Koishikawa Tokyo	Bunkyo-ku, Tokyo	48.8%	385	15	Freehold
Zesty Komazawa Daigaku II Tokyo	Meguro-ku, Tokyo	48.8%	1,054	29	Freehold
Zesty Nishi Shinjuku III Tokyo	Shinjuku-ku, Tokyo	48.8%	915	29	Freehold
Zesty Sakura Shinmachi Tokyo	Setagaya-ku, Tokyo	48.8%	619	17	Freehold
Zesty Shin Ekoda Tokyo	Nerima-ku, Tokyo	48.8%	526	18	Freehold
Zesty Shoin Jinja Tokyo	Setagaya-ku, Tokyo	48.8%	471	16	Freehold
Zesty Shoin Jinja II Tokyo	Setagaya-ku, Tokyo	48.8%	629	17	Freehold

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	No. of Units	Tenure (Years)
HELD THROUGH ASCOTT RESIDENCE TRUST *(cont'd)*					
PHILIPPINES					
Ascott Makati	Ayala Centre, Makati City	48.8%	55,255	306	48
Somerset Millennium Makati	Legaspi Village, Makati City	48.8%	11,165	146	Freehold
Somerset Salcedo Property Makati	Salcedo Village, Makati City	48.8%	5,901 (NLA)	71	Freehold
SINGAPORE					
Citadines Mount Sophia Property Singapore	Wilkie Road	48.8%	9,370	154	99
Somerset Liang Court Property Singapore	River Valley Road	48.8%	27,155	197	97
Somerset Grand Cairnhill Singapore	Cairnhill Road	48.8%	32,954	146	99
SPAIN					
Citadines Ramblas Barcelona	Ramblas District, Barcelona	48.8%	12,323	131	Freehold
UNITED KINGDOM					
Citadines Barbican London	Goswell Road, London	48.8%	7,263	129	Freehold
Citadines Prestige South Kensington London	Gloucester Road, London	48.8%	6,657	92	Freehold
Citadines Prestige Trafalgar Square London	Northumberland Avenue, London	48.8%	10,903	187	Freehold
Citadines Prestige Holborn – Covent Garden London	High Holborn, London	48.8%	10,576	192	Freehold
VIETNAM					
Somerset Hoa Binh Hanoi	Hoang Quoc Viet Street, Hanoi	43.9%	23,845	206	40
Somerset Grand Hanoi	Hai Ba Trung, Hanoi	37.1%	44,048	185	45
Somerset West Lake Hanoi	Thuy Khue Road, Hanoi	34.2%	8,474	90	49
Somerset Chancellor Court Ho Chi Minh City	Nguyen Thi Minh, Khai Street, Ho Chi Minh City	32.7%	26,782	172	48
Somerset Ho Chi Minh City	Nguyen Binh Khiem Street, Ho Chi Minh City	33.7%	25,207	165	45

Mixed Developments

As at 31 December 2011



RAFFLES CITY BEIJING
CHINA

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure (Years)
COMPLETED PROJECTS				
CHINA				
Raffles City Beijing	Dong Cheng District, Beijing	45.3%	103,185	50 (Office and Serviced residences) 40 (Retail)
Raffles City Shanghai	Huangpu District, Shanghai	25.3%	133,816	50
SINGAPORE				
ION Orchard	Orchard Road	32.7%	87,724	99 years, expiring in March 2105
The Orchard Residences	Orchard Road	32.7%	38,240 (175 units)	99 years, expiring in March 2015
Raffles City Singapore	North Bridge Road/ Stamford Road/Bras Basah Road	26.7%	320,490	99 years, expiring in July 2078 (Retail, office and hotel)
UNITED KINGDOM				
99-121 Kensington High Street	Central London	33%	34,971	Freehold
UNDER DEVELOPMENT				
CHINA				
Raffles City Changning	Changning District, Shanghai	36.9%	237,113	50
Raffles City Chengdu	Wuhou District, Chengdu	45.3%	197,515	40
Raffles City Hangzhou	Qianjiang New Town, Hangzhou	45.3%	284,503	40
Raffles City Ningbo	Jiangbei District, Ningbo	45.3%	91,977	40
Raffles City Shenzhen	Nanshan District, Shenzhen	73.0%	215,500	50
SINGAPORE				
Bedok Residences & the site for the mall	New Upper Changi Road/ Bedok North Drive	82.7%	94,127	99
Westgate	Jurong Gateway	58.3%	90,767	99
FUTURE DEVELOPMENTS				
CHINA				
Raffles City Chongqing	Yuzhong District, Chongqing	51.7%	817,000	40 (Commercial) 70 (Residential)

Risk Assessment and Management

CapitaLand's Comprehensive Modern Risk Management Framework

Framework	Activity	Purpose
Risk Strategy	Country Asset Allocation Limits & WACC and Hurdle Rates	Align Risk Appetite vis-à-vis Strategy
Risk Monitoring	Quarterly Group-Wide Portfolio Risk Reporting	Enhance Risk Response Decisions
Risk Underwriting	Investment Risk Management Process & Risk Trainings	Sound Risk Underwriting Process to Align with Board Approved Risk Strategy

As an integral part of the strategic and operational decision-making process at all levels, risk assessment and management adopts a modern, dynamic and proactive risk management approach

Financial crisis and market volatility is not something unexpected for CapitaLand as a real estate company with a complete value chain offering of homes, offices, shopping malls, serviced residences and financial services. Since the inception of CapitaLand in 2000, it was clear to the Board and senior management that there was a need to establish a proactive and independent risk management function. A robust risk management framework was institutionalised across the Group. As an integral part of the strategic and operational decision-making process at all levels, risk assessment and management adopts a modern, dynamic and proactive risk management approach.

A Risk Committee ("RC") was established in 2002, which consists of three independent board directors to guide the company in setting the risk policy. Currently the RC comprises Mr James Koh Cher Siang (Chairman), Mr Richard Hale and Mrs Arfat Pannir Selvam. The Group's President and CEO, Mr Liew Mun Leong and other senior management regularly attend RC meetings. These members are assisted by a professional, highly specialised and independent Risk Assessment Group ("RAG").

On a quarterly basis, RAG generates and presents to the RC a comprehensive group-wide portfolio risk report that measures a spectrum of risks and keeps the Board and management apprised of the necessary risk profiles in respect of activities in different countries. RAG employs an innovative, state-of-the-art Value-at-Risk ("VaR") model that is adapted from the banking industry and especially tailored for the real estate industry. It is used as a foundation in the portfolio risk report to measure the absolute and relative risks of the Group's exposures using a historical simulation method. It also highlights the relevant risks and exposures vis-à-vis the Group's financial risk appetite (as determined by the RC) and prevailing market conditions.

To complement the VaR method as risk measurement for our balance sheet assets and liabilities, RAG employs a contingent obligation risk registry to update and capture the Group's contingent obligations arising from treasury activities, commercial business dealings and legal lawsuits on a regular basis. They are constantly reviewed, marked-to-market using risk reflective pricing models such as Monte Carlo simulation and Binomial Tree techniques and are highlighted quarterly to the RC.

Under the current volatile global economic environment, as a proactive and preventive risk management approach, RAG has enhanced the quarterly risk report by incorporating special focus sections which evaluate and create risk impact analysis reports for event risks in various countries, including Singapore, China, Vietnam, Japan and the Middle East. Detailed findings were presented to the RC and where possible, RAG proposed mitigating strategies in order to optimise the risk profile. Multiple scenario analysis and stress testing were performed and the outcomes were reported to the RC and to senior management.

RAG continues to perform an independent risk evaluation of all individual investment proposals above a stipulated investment value threshold. Risk-adjusted weighted average cost of capital and hurdle rates of individual countries and business units are calculated by RAG according to their respective risk profiles. They are reviewed annually and when necessary, adjustments are made to reflect higher business risks and costs of investments. Subsequently, these hurdle rates are used as benchmarks for the projected returns of individual investment proposals. Where applicable and possible, RAG provides recommendations to improve the structure of investment proposals in order to mitigate the key risks identified and/or optimise the risk return profile.

To promote risk awareness for business development teams and to equip them with optimal risk management skills, RAG regularly conducts interactive workshops that allow RAG and business development teams to share and transfer experiences learned from previous projects. In 2011, RAG visited Beijing and Shanghai offices to train all respective business development teams in the investment risk management process.

As CapitaLand continues to adopt a focus, balance and scale strategy to achieve maximum economic value to shareholders, under the volatile global economic environment, RAG plays a crucial role in ensuring that the risk-underwriting process at all levels of the organisation will result in an outcome with an optimised risk-return relationship in order to deliver above-market shareholder returns. CapitaLand strives to be a leader in proactive risk management techniques and processes so that market volatilities can be exploited to preserve and ultimately enhance economic value for the company.

RAG employs an innovative, state-of-the-art Value-at-Risk ("VaR") model that is adapted from the banking industry and especially tailored for the real estate industry

RAG regularly conducts interactive workshops that allow RAG and business development teams to share and transfer experiences learned from previous projects

Stakeholder Communications

CapitaLand is committed to communicating regularly with shareholders, investors, analysts and the media to provide timely and consistent updates on quarterly financial results and corporate activities.

The Group maintains a high level of investor interaction through face-to-face meetings, teleconferences, investor conferences, roadshows and site visits. In 2011, Senior Management conducted more than 500 meetings with fund managers and institutional investors. In addition, management also attended more than 15 conferences including CLSA Investors' Forum, Morgan Stanley Asia Pacific Summit 2011, Citi Asia Pacific Property Conference, Bank of America Merrill Lynch Asian Star Conference and Credit Suisse Asian Investment Conference across London, Amsterdam, Edinburgh, New York, Boston, Toronto, Montreal, Baltimore, Philadelphia, San Francisco, Frankfurt, Hong Kong and Singapore. Besides overseas conferences, CapitaLand participated in the Asia Investment Conference and Exhibition (AICE) organised by Securities Investors Association Singapore (SIAS) which attracted 11,000 retail investors over a weekend. It is CapitaLand's efforts towards cultivating the retail investor base and communicating the Group's strategies. To diversify its funding source, the Group organised its inaugural Debt Investor Relations Forum to reach out to Debt Capital Market investors and attracted over 100 targeted participants.

> The Investor Relations team facilitated 36 site visits for fund managers and investors to cities like Shanghai, Beijing, Chengdu, Ho Chi Minh City and also in Singapore where they gained a better understanding of CapitaLand's developments

The Investor Relations team facilitated 36 site visits for fund managers and investors to cities like Shanghai, Beijing, Chengdu, Ho Chi Minh City and also in Singapore where they gained a better understanding of CapitaLand's developments such as The Paragon, The Pinnacle, Raffles City Shanghai, Raffles City Beijing, Raffles City Chengdu, The Vista and Beau Rivage in Ho Chi Minh City and residential sites in Singapore such as The Interlace, d'Leedon and The Orchard Residences.

CapitaLand engages the media and investment community through news releases, media/analysts briefings and familiarisation trips. The user-friendly website provides comprehensive company information and real-time updates which are also available on the Singapore Exchange website.

CapitaLand also proactively engages the media in the markets where it has a presence. In 2011, key media from Beijing, Shanghai and Chengdu visited Singapore and left with a first-hand insight of the Group's properties and operations. Interviews conducted with senior management by key Singapore print and broadcast media also increased the understanding of the Group's strategy and operations. Aside from interviews, a media familiarisation trip was organised to showcase the Group's residential developments in Hangzhou, Suzhou, and Shanghai. During the trip, CapitaLand shared with the media how it intends to deepen its presence in the China market with its offering of residential – including mid to high end properties and affordable housing, as well as malls and serviced residences, which helped to reinforce CapitaLand's long-term commitment in the China market.

> In 2011, CapitaLand won multiple awards, including the "Most Transparent Company (Property Category)" award in the Securities Investors Association Singapore (SIAS) Investors' Choice Awards for the 11th consecutive year

The Group's dedication and communication efforts have been recognised by the investment community. In 2011, CapitaLand won multiple awards, including the "Most Transparent Company (Property Category)" award in the Securities Investors Association Singapore (SIAS) Investors' Choice Awards for the 11th consecutive year, "Best Mixed-Use Developer in Asia" in the Euromoney Real Estate Awards 2011, "Best Corporate Governance" and "Best Managed Company" in FinanceAsia's Best Companies Poll 2011 and "Best Financial Disclosure (Singapore)" by World Finance Investor Relations Awards 2011. CapitaLand also won "Best Investor Relations (Real Estate including property development)", "Best CFO for Singapore & Pan Asia" and "Best Investor Relations Professional" by IR Magazine South East Asia Awards 2011 as well as the inaugural Best Investor Relations in ASEAN by Alpha Southeast Asia.

2011 AWARDS

Alpha Southeast Asia
- Best Investor Relations in ASEAN

Euromoney Real Estate Global Poll 2011
- Best Global Mixed-use Developer
- Best Retail Developer in Asia
- Best Mixed-use Developer in Asia
- Best Developer in China – Overall

FinanceAsia Best Companies Poll 2011 (Singapore)
- Best Corporate Governance
- Best Managed Company
- Best CEO in Singapore – Liew Mun Leong
- Best CFO in Singapore – Olivier Lim
- Best Investor Relations (2nd)

IR Magazine SEA Awards 2011
- Best Investor Relations by Sector – Real Estate
- Best Investor Relations by a CFO (Singapore & Pan Asia) – Olivier Lim
- Best Investor Relations Professional – Harold Woo & Cheong Kwok Mun

Institutional Investor
- Best CFO for Property Sector (2nd) – Olivier Lim
- Best IR Companies for Property Sector (2nd)

Singapore Corporate Awards 2011
- Best Investor Relations (Large Cap) – Silver

Securities Investors Assocation Singapore (SIAS)
- Most Transparent Company (Property Category) – 11th Consecutive Year

World Finance Investor Relations Awards (Singapore)
- Best Financial Disclosure
- Best Investor Relations Website

2011 INVESTOR RELATIONS CALENDAR

1ST QUARTER
- FY2010 financial results briefing to media and analysts and live webcast
- CapitaLand Debt Investor Relations Forum
- Goldman Sachs Macro Conference
- SGX-UBS Global Markets Conference
- Credit Suisse Asian Investment Conference
- J P Morgan Asia Pacific Real Estate Conference

2ND QUARTER
- Annual General Meeting
- Release of 1Q2011 financial results
- Citi Asia Pacific Property Conference
- BofA Merrill Lynch Asian Star Conference
- DB Access Asia Conference
- HSBC ASEAN Conference

3RD QUARTER
- 1H2011 financial results briefing to media and analysts and live webcast
- DBS Vickers Pulse of Asia
- Macquarie ASEAN Conference
- BofA Merrill Lynch Real Estate Conference
- Macquarie Non-Deal Roadshow
- CLSA Investors' Forum

4TH QUARTER
- Release of 3Q2011 financial results
- Morgan Stanley Asia Pacific Summit
- UBS Global Real Estate CEO Conference
- Credit Suisse Non-Deal Roadshow
- Bank of New York Mellon Depository Receipt Issuers Conference

Economic Value Added Statements

	Note	2011 S$ million	2010 S$ million Restated*
Net Operating Profit Before Tax		737.2	1,176.5
Adjust for:			
Share of results of associates and joint ventures		876.6	959.8
Interest expense		490.3	458.8
Others		71.3	118.5
Adjusted Profit Before Interest and Tax		2,175.4	2,713.6
Cash operating taxes	1	(219.8)	(279.1)
Net Operating Profit After Tax (NOPAT)		1,955.6	2,434.5
Average capital employed	2	27,713.7	26,289.9
Weighted average cost of capital (%)	3	5.60	6.40
Capital Charge (CC)		1,552.0	1,682.6
Economic Value Added (EVA) [NOPAT – CC]		403.6	751.9
Non-controlling interests		(99.3)	(136.3)
Group EVA attributable to Owners of the Company		304.3	615.6

* *2010 comparatives have been restated to take into account the retrospective adjustments relating to INT FRS 115 Agreements for the Contruction of Real Estate.*

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

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

Major Capital Components	***S$ million***
Borrowings	*10,562.4*
Equity	*16,338.7*
Others	*812.6*
Total	*27,713.7*

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

i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 5.0% (2010: 5.0%) per annum;

ii) Risk-free rate of 2.39% (2010: 2.59%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;

iii) Ungeared beta ranging from 0.50 to 0.90 (2010: 0.64 to 1.09) based on the risk categorisation of CapitaLand's strategic business units; and

iv) Cost of Debt rate at 3.57% (2010: 4.22%) per annum using 5-year Singapore Dollar Swap Offer rate plus 175.0 basis points (2010: 187.5 basis points).

Value Added Statements

	2011 S$ million	2010 S$ million Restated*
Value Added From:		
Revenue earned	3,019.6	3,383.4
Less: Bought in materials and services	(1,775.9)	(1,893.9)
Gross Value Added	1,243.7	1,489.5
Share of results of associates and joint ventures	876.6	959.8
Exchange losses (net)	(33.2)	(27.5)
Other operating income (net)	623.0	734.1
	1,466.4	1,666.4
Total Value Added	2,710.1	3,155.9
Distribution:		
To employees in wages, salaries and benefits	526.1	475.3
To government in taxes and levies	261.9	319.9
To providers of capital in:		
– Net interest on borrowings	458.2	428.5
– Dividends to shareholders	256.2	447.4
	1,502.4	1,671.1
Balance Retained in the Business:		
Depreciation and amortisation	40.6	59.6
Revenue reserves net of dividends to owners of the Company	801.1	978.3
Non-controlling interests	365.6	426.5
	1,207.3	1,464.4
Non-Production Costs:		
Allowance for doubtful receivables	0.4	6.4
Fidelity losses arising from financial irregularities	–	14.0
Total Distribution	2,710.1	3,155.9
Productivity Analysis:		
Value added per employee (S$'000)#	167	230
Value added per dollar of employment cost (S$)	2.36	3.13
Value added per dollar sales (S$)	0.41	0.44

\# *Based on average 2011 headcount of 7,447 (2010: 6,482).*

* *2010 comparatives have been restated to take into account the retrospective adjustments relating to INT FRS 115 Agreement for the Construction of Real Estate.*

Other Information

1. DIRECTORS' REMUNERATION

(a) Directors' Compensation Table for the Financial Year Ended 31 December 2011:

Directors of the Company	Salary inclusive of AWS and employer's CPF $	Bonus and other benefits inclusive of employer's CPF [1] $	Awards of shares [2] $	Directors' fees inclusive of attendance fees [3]: Cash component $	Directors' fees inclusive of attendance fees [3]: Shares/Units component $	Total $
Payable by Company:						
Executive Director						
Liew Mun Leong	1,373,680.00	2,601,541.07	1,506,034.00	–	–	5,481,255.07
Sub-Total 1	1,373,680.00	2,601,541.07	1,506,034.00	–	–	5,481,255.07
Non-Executive Directors						
Dr Hu Tsu Tau [4]	–	–	–	246,700.00	–	246,700.00
Peter Seah Lim Huat	–	–	–	166,040.00	71,160.00	237,200.00
Jackson Peter Tai [4]	–	–	–	67,292.00	–	67,292.00
Richard Edward Hale [4]	–	–	–	185,400.00	–	185,400.00
James Koh Cher Siang	–	–	–	133,700.00	57,300.00	191,000.00
Arfat Pannir Selvam	–	–	–	145,320.00	62,280.00	207,600.00
Prof Kenneth Stuart Courtis	–	–	–	136,290.00	58,410.00	194,700.00
Dr Fu Yuning [4]	–	–	–	86,700.00	–	86,700.00
John Powell Morschel	–	–	–	115,488.10	49,494.90	164,983.00
Ng Kee Choe	–	–	–	86,671.90	37,145.10	123,817.00
Simon Claude Israel [5]	–	–	–	126,700.00	54,300.00	181,000.00
Euleen Goh Yiu Kiang [6]	–	–	–	23,246.30	9,962.70	33,209.00
				1,519,548.30 [4]	400,052.70 [4]	
Sub-Total 2	–	–	–	1,919,601.00 [4]		1,919,601.00 [4]
Payable by Subsidiaries:						
Liew Mun Leong	–	–	–	326,100.00 [7]	147,000.00 [7]	473,100.00
Richard Edward Hale	–	–	–	80,000.00	20,000.00	100,000.00
James Koh Cher Siang	–	–	–	99,200.00	24,800.00	124,000.00
Arfat Pannir Selvam	–	–	–	81,200.00	34,800.00	116,000.00
				586,500.00	226,600.00	
Sub-Total 3	–	–	–	813,100.00		813,100.00
Total for Directors of Company	1,373,680.00	2,601,541.07	1,506,034.00	2,732,701.00		8,213,956.07

(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 2011 is lower than 2010 largely due to lower portfolio gain. The EVA bonus accrued for year 2011 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 2011, 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.

1. DIRECTORS' REMUNERATION *(cont'd)*

(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 2011 of an aggregate amount of S$1,919,601, if approved, will be paid out as to S$1,519,548.30 in cash, and S$400,052.70 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 2011 (with the exception of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning, who are retiring from the Board and Mr Jackson Peter Tai who retired from the Board during 2011) 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 number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange Securities Trading Limited over the 14 trading days immediately following the date of the 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, Dr Fu Yuning and Mr Jackson Peter Tai will receive all of their Directors' fees in cash.

(5) Mr Simon Claude Israel was an employee of Temasek Holdings (Private) Limited ("Temasek") until 30 June 2011. His fee for the period from 1 January 2011 to 30 June 2011 is S$92,700 and will be paid entirely in cash to Temasek. His fee for the period from 1 July 2011 to 31 December 2011 is S$88,300 and will be paid to him in the portion of S$34,000 in cash and S$54,300 in the form of share awards under the RSP. His total directors' fees of S$181,000 for 2011 will be paid in accordance with the Directors' Fee Policy (see note (4) above).

(6) Ms Euleen Goh Yiu Kiang was appointed as Director of the Company on 1 October 2011.

(7) Mr Liew Mun Leong is an employee of CapitaLand Limited. The cash component of his directors' fees will be paid to CapitaLand Limited, 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.

Other Information

1. DIRECTORS' REMUNERATION *(cont'd)*

(b) Directors' Compensation Table for the Financial Year Ended 31 December 2010:

Directors of the Company	Salary inclusive of AWS and employer's CPF $	Bonus and other benefits inclusive of employer's CPF (1) $	Directors' fees inclusive of attendance fees (2) $	Awards of shares (3) $	Total $
Payable by Company:					
Dr Hu Tsu Tau	–	–	193,000	52,404	245,404
Peter Seah Lim Huat	–	–	169,250	63,123	232,373
Liew Mun Leong	1,298,840	3,602,021	–	1,792,701	6,693,562
Lim Chin Beng (4)	–	–	31,678	20,775	52,453
Jackson Peter Tai	–	–	157,400	36,921	194,321
Richard Edward Hale	–	–	138,000	56,374	194,374
Dr Victor Fung Kwok King (5)	–	–	22,900	–	22,900
James Koh Cher Siang	–	–	140,000	48,831	188,831
Arfat Pannir Selvam	–	–	151,000	52,801	203,801
Prof Kenneth Stuart Courtis	–	–	155,700	36,921	192,621
Dr Fu Yuning	–	–	61,000	22,629	83,629
John Powell Morschel (6)	–	–	77,500	21,041	98,541
Ng Kee Choe (6)	–	–	56,292	–	56,292
Simon Claude Israel (6)	–	–	55,500	–	55,500
Sub-Total 1	1,298,840	3,602,021	1,409,220	2,204,521	8,514,602
Payable by Subsidiaries:					
Liew Mun Leong	–	–	–	67,058	67,058
Lim Chin Beng	–	–	63,500	–	63,500
Richard Edward Hale	–	–	80,000	–	80,000
James Koh Cher Siang	–	–	117,442	6,457	123,899
Arfat Pannir Selvam	–	–	69,964	29,517	99,481
Dr Fu Yuning	–	–	46,000	18,679	64,679
Sub-Total 2	–	–	376,906	121,711	498,617
Total for Directors of the Company	1,298,840	3,602,021	1,786,126	2,326,232	9,013,219

(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 2010 is lower than 2009 due to lower portfolio gain. The EVA bonus accrued for year 2010 is credited into the bonus account and 1/3 of the balance in the bonus account will be paid out annually, provided that the account balance, which is subjected to a clawback feature, is positive.*

(2) *The directors' fees were approved by the shareholders and had since been paid.*

(3) *For the year 2010, the awards granted under the CapitaLand Restricted Stock Plan ("RSP") to all Directors except for Mr Liew Mun Leong are time-based with no performance conditions and will be released over a vesting period of two years. The awards of shares figures disclosed are based on the fair value of the shares at the time of grant. Contingent awards of shares under the RSP and the CapitaLand Performance Share Plan ("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.*

(4) *Mr Lim Chin Beng retired from the Board of the Company on 16 April 2010. He continued to be a Director and the Chairman of The Ascott Limited, a wholly-owned subsidiary.*

(5) *Dr Victor Fung Kwok King had declined the grant of award of shares. He retired from the Board of the Company on 16 April 2010.*

(6) *Mr John Powell Morschel, Mr Ng Kee Choe and Mr Simon Claude Israel were appointed as Directors of the Company on 1 February 2010, 16 April 2010 and 1 July 2010, respectively. Fees are paid to Mr Simon Israel's employer.*

1. DIRECTORS' REMUNERATION *(cont'd)*

(c) Number of Directors of CapitaLand Limited in Remuneration Bands:

Remuneration Bands	2011	2010
$500,000 and above	1	1
$250,000 to $499,999	0	0
Below $250,000	12	13
Total	13	14

2 INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

The Group	2011 $'000
Transactions with Temasek Holdings (Private) Limited and its associates:	
Establishment of a joint venture	350,000
Acquisition of an associate	360,000
Sale of goods and services	11,178
Purchase of goods and services	1,378
Transactions with associate of Singapore Airlines Limited:	
Sale of goods and services	574
Transactions with associate of Singapore Telecommunications Limited:	
Purchase of goods and services	378
Transactions with associate of Sembcorp Industries Ltd:	
Purchase of goods and services	280

3 KEY EXECUTIVES' REMUNERATION

Key Executives' Compensation Table for the Financial Year Ended 31 December 2011:

Total Compensation (1) Bands	Executives
$750,000 to $999,999	Arthur Lang Tao Yih (2)
$1,000,000 to $1,999,999	–
$2,000,000 to $2,249,999	Jennie Chua Kheng Yeng
$2,250,000 to $2,499,999	–
$2,500,000 to $2,749,999	Wen Khai Meng and Olivier Lim Tse Ghow
$2,750,000 to $2,999,999	Lim Ming Yan

(1) *Total compensation comprises salary, annual wage supplement, bonus, employer's CPF, contingent awards of shares and other benefits in kind. The bonus is based on an accrual basis and accrued for the performance of the same year. The contingent awards of shares are based on the fair value of the shares comprised in the baseline awards under the CapitaLand Restricted 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.*

(2) *Mr Arthur Lang Tao Yih joined CapitaLand Limited on 1 August 2011.*

4 USE OF PROCEEDS

In September 2009, the Company issued S$1.2 billion principal amount of convertible bonds due in 2016. As of December 2011, the Company has fully utilised the proceeds.

5 APPOINTMENT OF AUDITORS

The Company confirms that it has complied with Rules 712 and 715 or 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to its auditing firms.

Shareholding Statistics

As at 28 February 2012

SHARE CAPITAL

Paid-up Capital	S$6,344,020,090.20
Number of Issued and Paid-up Shares (including Treasury Shares)	4,269,479,858
Number of Treasury Shares	25,209,000
Number of Issued and Paid-up Shares (excluding Treasury Shares)	4,244,270,858
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	39.60
2	Citibank Nominees Singapore Pte Ltd	604,997,683	14.25
3	DBS Nominees (Private) Limited	412,529,188	9.72
4	DBSN Services Pte Ltd	271,522,956	6.40
5	HSBC (Singapore) Nominees Pte Ltd	218,975,429	5.16
6	United Overseas Bank Nominees (Private) Limited	136,064,291	3.21
7	Raffles Nominees (Pte) Limited	62,534,927	1.47
8	BNP Paribas Securities Services Singapore Branch	27,584,713	0.65
9	Bank of Singapore Nominees Pte Ltd	24,056,617	0.57
10	DB Nominees (Singapore) Pte Ltd	17,851,375	0.42
11	OCBC Nominees Singapore Private Limited	13,753,199	0.32
12	BNP Paribas Nominees Singapore Pte Ltd	13,604,128	0.32
13	Pei Hwa Foundation Limited	13,230,335	0.31
14	Lee Pineapple Company (Pte) Limited	10,000,000	0.24
15	UOB Kay Hian Private Limited	9,649,453	0.23
16	Phillip Securities Pte Ltd	9,361,851	0.22
17	Merrill Lynch (Singapore) Pte Ltd	8,031,351	0.19
18	DBS Vickers Securities (Singapore) Pte Ltd	7,797,534	0.18
19	OCBC Securities Private Limited	6,838,010	0.16
20	Lee Seng Wee	5,200,000	0.12
	Total	3,554,287,180	83.74

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 28 February 2012

Substantial Shareholder	No. of ordinary shares in which substantial shareholder has a direct interest	No. of ordinary shares in which substantial shareholder is deemed to have an interest
Temasek Holdings (Private) Limited	1,680,704,140	34,773,934 [*]

Note:

[*] *By virtue of Section 7 of the Companies Act, Cap. 50 of Singapore, Temasek Holdings (Private) Limited ("Temasek") is deemed to have an interest in 34,773,934 ordinary shares in which its subsidiary and associated companies have or are deemed to have an interest. Temasek is wholly owned by the Minister for Finance.*

SIZE OF HOLDINGS

Size of Shareholdings	No. of shareholders	%	No. of shares	% [1]
1 – 999	928	1.38	322,759	0.01
1,000 – 10,000	54,487	80.80	219,741,283	5.18
10,001 – 1,000,000	11,972	17.75	410,395,760	9.67
1,000,001 and above	48	0.07	3,613,811,056	85.14
Total	67,435	100.00	4,244,270,858	100.00

Approximately 59.45%[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.

Note:

[1] *Percentage is calculated based on the total number of 4,244,270,858 issued shares, excluding treasury shares.*

Statutory Accounts

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Directors' Report

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2011.

DIRECTORS

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

Dr Hu Tsu Tau
Peter Seah Lim Huat
Liew Mun Leong
Richard Edward Hale
James Koh Cher Siang
Arfat Pannir Selvam
Professor Kenneth Stuart Courtis
Dr Fu Yuning
John Powell Morschel
Ng Kee Choe
Simon Claude Israel
Euleen Goh Yiu Kiang (appointed on 1 October 2011)

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		
Dr Hu Tsu Tau	211,893	279,675
Peter Seah Lim Huat	267,417	294,807
Liew Mun Leong	3,356,436	3,571,915
Richard Edward Hale	839,549	864,467
James Koh Cher Siang	193,633	253,999
Arfat Pannir Selvam	179,799	201,039
Professor Kenneth Stuart Courtis	117,697	133,688
Dr Fu Yuning	–	2,887
John Powell Morschel	–	2,684
Ng Kee Choe	10,000	10,000
Simon Claude Israel	–	50,000
Euleen Goh Yiu Kiang	5,572	5,572

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

		Holdings in the name of the director, spouse and/or infant children	
		At beginning of the year/date of appointment	**At end of the year**
The Company *(cont'd)*			
Options to subscribe for ordinary shares exercisable from 25/02/2007 to 24/02/2011 at an exercise price of $3.22 per share			
Dr Hu Tsu Tau		41,760	–
James Koh Cher Siang		34,800	–
Contingent award of Performance shares[1] to be delivered after 2010			
Liew Mun Leong	(368,726 shares)	0 to 737,452[3]	–[¶]
[¶] *No share was released under the 2008 award*			
Contingent award of Performance shares[1] to be delivered after 2011			
Liew Mun Leong	(370,258 shares)	0 to 740,516[3]	0 to 740,516[3]
Contingent award of Performance shares[1] to be delivered after 2012			
Liew Mun Leong	(381,039 shares)	0 to 762,078[3]	0 to 762,078[3]
Contingent award of Performance shares[1] to be delivered after 2013			
Liew Mun Leong	(359,200 shares)	–	0 to 718,400[3]
Unvested Restricted shares[2] to be delivered after 2008			
Liew Mun Leong		53,554[6]	–
Unvested Restricted shares[2] to be delivered after 2009			
Dr Hu Tsu Tau		19,336[5]	–
Peter Seah Lim Huat		19,336[5]	–
Liew Mun Leong		171,958[7]	85,980[6]
Richard Edward Hale		17,725[5]	–
James Koh Cher Siang		19,336[5]	–
Arfat Pannir Selvam		14,503[5]	–
Professor Kenneth Stuart Courtis		11,280[5]	–
Unvested Restricted shares[2] to be delivered after 2010			
Dr Hu Tsu Tau		13,373[4]	6,687[5]
Peter Seah Lim Huat		16,108[4]	8,054[5]
Liew Mun Leong		0 to 301,913[4]	151,896[7]
Richard Edward Hale		14,386[4]	7,193[5]
James Koh Cher Siang		12,461[4]	6,231[5]
Arfat Pannir Selvam		13,474[4]	6,737[5]
Professor Kenneth Stuart Courtis		9,422[4]	4,711[5]
Dr Fu Yuning		5,775[4]	2,888[5]
John Powell Morschel		5,369[4]	2,685[5]
Contingent award of Restricted shares[2] to be delivered after 2011			
Liew Mun Leong	(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 $1.05 billion)			
Liew Mun Leong		$1,500,000	$1,500,000

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

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
Related Corporations		
CapitaMalls Asia Limited		
Ordinary shares		
Dr Hu Tsu Tau	29,000	29,000
Peter Seah Lim Huat	29,000	29,000
Liew Mun Leong	442,000	456,540
Richard Edward Hale	38,000	38,000
James Koh Cher Siang	43,000	44,400
Arfat Pannir Selvam	54,000	60,400
Dr Fu Yuning	54,000	58,050
Ng Kee Choe	130,000	130,000
Unvested Restricted shares[2] to be delivered after 2010		
Liew Mun Leong	29,080[4]	14,540[5]
James Koh Cher Siang	2,800[4]	1,400[5]
Arfat Pannir Selvam	12,800[4]	6,400[5]
Dr Fu Yuning	8,100[4]	4,050[5]
CapitaMalls Asia Treasury Limited		
Liew Mun Leong		
– ***$75 million 1.00% Bonds due 2012***	–	$1,000,000
– ***$125 million 2.15% Bonds due 2014***	–	$2,000,000
The Ascott Capital Pte Ltd		
Liew Mun Leong		
– ***$150 million 4.70% Fixed Rate Notes due 2011***	$1,000,000	–
– ***$200 million 4.38% Fixed Rate Notes due 2012***	$1,000,000	$1,000,000
– ***$50 million 5.15% Fixed Rate Notes due 2014***	$1,000,000	$1,000,000
Euleen Goh Yiu Kiang		
– ***$200 million 4.38% Fixed Rate Notes due 2012***	$1,000,000	$1,000,000
CapitaLand Treasury Limited		
Euleen Goh Yiu Kiang		
– ***$350 million 4.30% Fixed Rate Notes due 2020***	$250,000	$250,000

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") or CMA Restricted Stock 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 delivered up to a maximum of 200% of the baseline award.*

4 *The final number of shares released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of two to three years. No 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. The awards granted to non-executive directors in 2010 are time-based with no performance conditions and will be released over a vesting period of two years.*

5 *Being the unvested half of the award.*

6 *Being the unvested one-third of the award.*

7 *Being the unvested two-thirds of the award.*

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 2012.

DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, the directors' interests in contracts relate to professional fees of $6,500 paid or payable to Selvam LLC, of which Mrs Arfat Pannir Selvam is a shareholder.

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

Directors' emoluments are disclosed in "Other Information".

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under the "Directors' Interests in Shares or Debentures" 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 are Mr Peter Seah Lim Huat (Chairman), Mr Ng Kee Choe and Mr Simon Claude Israel.

(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. 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). No minimum vesting periods are prescribed under the RSP 2010.

SHARE PLANS *(cont'd)*

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

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 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 and its subsidiary pursuant to the exercise of options granted:

Name of Company	Exercise Price (per share)	Number of Shares Issued
CapitaLand Limited	$0.30 to $3.22	1,120,367
Australand	A$1.10	9,400

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.

(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	9	10/05/2012	0.49	52,833
	19	28/02/2013	0.30	218,867
	4	29/08/2013	0.30	7,846
	58	27/02/2014	0.50	562,275
	6	27/08/2014	0.85	39,235
	158	25/02/2015	1.72	1,549,232
	19	26/08/2015	2.15	82,877
	375	24/02/2016	3.18	5,771,764
	1	19/06/2016	3.65	87,350
	49	01/09/2016	4.09	627,965
Total				9,000,244

SHARE PLANS *(cont'd)*

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

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

Participants	Aggregate options granted since the commencement of the CapitaLand Share Option Plan	Aggregate options exercised	Aggregate options lapsed/ cancelled	Aggregate outstanding options
Directors of the Company:				
Dr Hu Tsu Tau	281,760	(281,760)	–	–
Peter Seah Lim Huat	494,460	(494,460)	–	–
Liew Mun Leong	6,257,200	(6,257,200)	–	–
Richard Edward Hale	608,230	(608,230)	–	–
James Koh Cher Siang	134,800	(134,800)	–	–
Arfat Pannir Selvam	100,880	(100,880)	–	–
	7,877,330	(7,877,330)	–	–
Non-Executive Directors of subsidiaries (including former directors of the Company)	10,746,540	(9,990,130)	(756,410)	–
Group Executives (excluding Liew Mun Leong)	138,155,955	(94,677,505)	(34,478,206)	9,000,244
Parent Group Executives and others	2,662,482	(2,232,834)	(429,648)	–
Total	159,442,307	(114,777,799)	(35,664,264)	9,000,244

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.

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 delivered up to a maximum of 200% of the baseline award.

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

	Balance as at 1 January 2011		<--- Movements during the year --->		Balance as at 31 December 2011	
Year of Award	No. of holders	No. of shares	Granted No. of shares	Lapsed/ Cancelled No. of shares	No. of holders	No. of shares
2008	66	2,581,903	–	(2,581,903)	–	–
2009	73	3,497,711	–	(215,984)	69	3,281,727
2010	56	3,139,866	–	(292,039)	51	2,847,827
2011	–	–	3,324,300	(184,800)	62	3,139,500
		9,219,480	3,324,300	(3,274,726)		9,269,054

SHARE PLANS *(cont'd)*

(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.

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 two years for non-executive directors and three years for other participants. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

The ERCC of the Company has instituted a set of share ownership guidelines for senior management who receives shares under the CapitaLand Restricted Stock/Share Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaLand shares acquired through the CapitaLand Restricted Stock/Share Plan which will vary according to their job grades and base salaries. The awards granted to non-executive directors in 2010 are time-based with no performance conditions and will be released over a vesting period of two years. 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.

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

	Balance as at 1 January 2011		<------------- Movements during the year ------------->			Balance as at 31 December 2011	
			Granted	Released+	Lapsed/ Cancelled		
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2008	1,069	1,427,091	–	(1,406,788)	(20,303)	–	–
2009	1,430	6,195,093	–	(3,150,349)	(271,062)	1,313	2,773,682
2010	885	5,868,769	744,812	(2,191,693)	(383,397)	815	4,038,491
2011	–	–	6,676,870	–	(426,465)	952	6,250,405
		13,490,953	7,421,682	(6,748,830)	(1,101,227)		13,062,578

\+ *The number of shares released during the year was 6,748,830, of which 922,162 were cash-settled.*

As at 31 December 2011, the number of shares comprised in awards granted under the CapitaLand Restricted Stock/Share Plan is as follows:

	Equity-settled	Cash-settled
Final number of shares has not been determined (baseline award)#	5,506,130	744,275
Final number of shares determined but not released	5,938,521	873,652
	11,444,651	1,617,927

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

SHARE PLANS *(cont'd)*

(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).

(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.

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

	Balance as at 1 January 2011		<--- Movements during the year --->		Balance as at 31 December 2011	
			Granted	Lapsed/ Cancelled		
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2010	20	871,700	–	–	20	871,700
2011	–	–	1,326,700	(40,000)	29	1,286,700
		871,700	1,326,700	(40,000)		2,158,400

(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 awards are performance-related, after a further period of service beyond the performance target completion date (performance-related awards). No minimum vesting period is prescribed under the CMA Restricted Stock Plan. 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.

CMA has instituted a set of share ownership guidelines for senior management who receive shares under the CMA Restricted Stock Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CMA shares acquired through the CMA Restricted Stock Plan which will vary according to their job grades and base salaries. The awards to non-executive directors in 2010 are time-based with no performance conditions and will be released over a vesting period of two years. 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.

SHARE PLANS *(cont'd)*

(f) Awards under the CapitaMalls Asia Limited ("CMA") Share Plans *(cont'd)*

(ii) Awards under the CMA Restricted Stock Plan *(cont'd)*

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

Year of Award	Balance as at 1 January 2011 No. of holders	Balance as at 1 January 2011 No. of shares	<------------- Movements during the year -------------> Granted No. of shares	Released* No. of shares	Lapsed/ Cancelled No. of shares	Balance as at 31 December 2011 No. of holders	Balance as at 31 December 2011 No. of shares
2010	795	4,116,979	427,563	(1,520,317)	(245,696)	716	2,778,529
2011	–	–	5,609,300	–	(400,955)	934	5,208,345
		4,116,979	6,036,863	(1,520,317)	(646,651)		7,986,874

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

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

	Equity-settled	Cash-settled
Final number of shares has not been determined (baseline award)#	3,672,267	1,536,078
Final number of shares determined but not released	1,987,224	791,305
	5,659,491	2,327,383

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

(g) Awards under the Australand Share Plans

(i) Australand Performance Rights Plan

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

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

Year of Award	Balance as at 1 January 2011	<--------- Movements during the year ---------> Granted	Lapsed/Forfeited	Balance as at 31 December 2011
2007	111,620	–	–	111,620
2008	35,673	–	–	35,673
2009	2,006,152	–	(441,660)	1,564,492
2010	1,759,773	–	(317,517)	1,442,256
2011	–	1,857,197	–	1,857,197
	3,913,218	1,857,197	(759,177)	5,011,238

SHARE PLANS *(cont'd)*

(g) Awards under the Australand Share Plans *(cont'd)*

(ii) Australand Tax Exempt Employee Security Plan

The Australand Tax Exempt Employee Security Plan in which tax exempt stapled securities may be issued by the company to employees for no cash consideration was approved by Australand's shareholders at the 2007 AGM. All Australian resident permanent (full-time and part-time) employees (excluding directors and participants in the Australand Performance Rights Plan) who have been continuously employed by the Group for a period of at least nine months as at the invitation date and are still employees as at the acquisition date (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).

During the year, 108,016 (2010: 110,410) securities were issued under the Australand Tax Exempt Employee Security Plan at the weighted average market price of A$2.90 (2010: A$2.76) per security.

(iii) Australand Employee Securities Ownership Plan

All outstanding awards under the Australand Option Scheme and Australand Employees Securities Ownership Plan were exercised or lapsed in 2011. There are no further awards under those schemes and both the plans have been closed.

AUDIT COMMITTEE

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

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;

AUDIT COMMITTEE *(cont'd)*

- 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.

The Audit Committee met six times in 2011. Specific functions performed during the year included reviewing the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the Board of Directors of the Company for adoption. The Audit Committee also met with the internal and external auditors, without the presence of management, to discuss issues of concern to them.

The Audit Committee has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set by the Group and the Company to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

AUDIT COMMITTEE *(cont'd)*

The Audit Committee also undertook quarterly reviews of all non-audit services provided by KPMG LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

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

On behalf of the Board of Directors

DR HU TSU TAU
DIRECTOR

LIEW MUN LEONG
DIRECTOR

Singapore
28 February 2012

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 156 to 250 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011, and of the results and changes in equity of the Group and of the Company, and of the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

DR HU TSU TAU
DIRECTOR

LIEW MUN LEONG
DIRECTOR

Singapore
28 February 2012

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 2011, 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 156 to 250.

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 2011 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

KPMG LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore
28 February 2012

Balance Sheets

As at 31 December 2011

	Note	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000 Restated*	The Group 1/1/2010 $'000 Restated*	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Non-current assets						
Property, plant and equipment	3	1,075,505	1,049,407	1,772,301	12,830	8,164
Intangible assets	4	458,722	459,605	518,026	147	147
Investment properties	5	7,074,617	4,732,895	5,058,507	–	–
Subsidiaries	6	–	–	–	10,605,809	12,435,703
Associates	7(a)	9,290,737	8,191,407	6,967,819	–	–
Joint ventures	8(a)	1,394,263	1,857,360	1,525,394	–	–
Deferred tax assets	9	95,671	94,335	82,960	2,884	3,135
Other non-current assets	10(a)	795,955	308,205	233,359	–	–
		20,185,470	16,693,214	16,158,366	10,621,670	12,447,149
Current assets						
Development properties for sale and stocks	11	6,905,124	5,667,149	3,578,255	–	–
Trade and other receivables	12	1,769,374	2,133,709	1,307,308	2,590,302	1,166,526
Other current assets	10(b)	195,000	203,009	196,437	–	–
Cash and cash equivalents	15	6,264,473	7,190,064	8,729,718	326,539	53,954
		15,133,971	15,193,931	13,811,718	2,916,841	1,220,480
Less: current liabilities						
Trade and other payables	16	2,270,488	2,050,085	2,050,468	70,834	195,367
Short term bank borrowings	18	426,011	852,255	992,974	–	–
Current portion of debt securities	19	434,228	909,519	400,776	–	–
Current portion of finance leases	20	–	–	3,836	–	–
Current tax payable		441,075	496,405	457,374	7,560	5,424
		3,571,802	4,308,264	3,905,428	78,394	200,791
Net current assets		11,562,169	10,885,667	9,906,290	2,838,447	1,019,689
Less: non-current liabilities						
Long term bank borrowings	18	6,105,790	3,798,410	3,951,770	–	–
Debt securities	19	5,224,610	4,797,859	4,929,453	3,432,956	3,379,883
Finance leases	20	–	–	33,745	–	–
Deferred tax liabilities	9	627,638	576,721	144,604	44,367	55,176
Other non-current liabilities	21	550,130	540,687	462,550	27,815	32,373
		12,508,168	9,713,677	9,522,122	3,505,138	3,467,432
Net assets		19,239,471	17,865,204	16,542,534	9,954,979	9,999,406
Representing:						
Share capital	23	6,298,355	6,276,504	6,229,227	6,298,355	6,276,504
Revenue reserves		8,328,115	7,511,740	6,545,988	3,296,610	3,301,550
Other reserves	24	275,067	243,689	338,974	360,014	421,352
Equity attributable to Owners of the Company		14,901,537	14,031,933	13,114,189	9,954,979	9,999,406
Non-controlling interests		4,337,934	3,833,271	3,428,345	–	–
Total equity		19,239,471	17,865,204	16,542,534	9,954,979	9,999,406

* *See note 2(a).*

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

Income Statements

Year ended 31 December 2011

	Note	The Group 2011 $'000	The Group 2010 $'000 Restated*	The Company 2011 $'000	The Company 2010 $'000
Revenue	26	3,019,569	3,383,392	499,542	286,565
Cost of sales		(1,946,684)	(2,044,954)	–	–
Gross profit		1,072,885	1,338,438	499,542	286,565
Other operating income	27(a)	713,704	891,949	160,625	320,579
Administrative expenses		(530,187)	(488,279)	(92,051)	(79,245)
Other operating expenses		(46,459)	(117,421)	(147,184)	(94)
Profit from operations		1,209,943	1,624,687	420,932	527,805
Finance costs	27(d)	(472,785)	(448,183)	(181,047)	(183,895)
Share of results (net of tax) of:					
– associates		651,194	494,773	–	–
– joint ventures		225,452	465,022	–	–
		876,646	959,795	–	–
Profit before taxation	27	1,613,804	2,136,299	239,885	343,910
Taxation	28	(190,884)	(284,100)	11,336	8,060
Profit for the year		1,422,920	1,852,199	251,221	351,970
Attributable to:					
Owners of the Company		1,057,311	1,425,678	251,221	351,970
Non-controlling interests		365,609	426,521	–	–
Profit for the year		1,422,920	1,852,199	251,221	351,970
Basic earnings per share (cents)	29	24.8	33.5		
Diluted earnings per share (cents)	29	24.6	32.5		

* *See note 2(a).*

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

Statements of Comprehensive Income

Year ended 31 December 2011

		The Group		The Company	
	Note	2011 $'000	2010 $'000 Restated*	2011 $'000	2010 $'000
Profit for the year		1,422,920	1,852,199	251,221	351,970
Other comprehensive income:					
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		145,889	(215,696)	–	–
Change in fair value of available-for-sale investments		(43,848)	19,730	–	–
Effective portion of change in fair value of cash flow hedges		(75,048)	33,674	–	–
Share of other comprehensive income of associates and joint ventures		101,812	15,762	–	–
Total other comprehensive income for the year, net of income tax	25	128,805	(146,530)	–	–
Total comprehensive income for the year		1,551,725	1,705,669	251,221	351,970
Attributable to:					
Owners of the Company		1,153,805	1,307,450	251,221	351,970
Non-controlling interests		397,920	398,219	–	–
Total comprehensive income for the year		1,551,725	1,705,669	251,221	351,970

* *See note 2(a).*

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

Statements of Changes in Equity

Year ended 31 December 2011

		Attributable to owners of the Company					
The Group	Note	Share Capital $'000	Revenue Reserves $'000	Other Reserves $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
At 1 January 2011, as previously reported		6,276,504	7,652,261	241,886	14,170,651	3,846,811	18,017,462
Impact of change in accounting policy	2(a)	–	(140,521)	1,803	(138,718)	(13,540)	(152,258)
At 1 January 2011, as restated		6,276,504	7,511,740	243,689	14,031,933	3,833,271	17,865,204
Total comprehensive income							
Profit for the year		–	1,057,311	–	1,057,311	365,609	1,422,920
Other comprehensive income							
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		–	–	95,337	95,337	50,552	145,889
Change in fair value of available-for-sale investments		–	–	(43,848)	(43,848)	–	(43,848)
Effective portion of change in fair value of cash flow hedges		–	–	(47,372)	(47,372)	(27,676)	(75,048)
Share of other comprehensive income of associates and joint ventures		–	–	92,377	92,377	9,435	101,812
Total other comprehensive income, net of income tax		–	–	96,494	96,494	32,311	128,805
Total comprehensive income		–	1,057,311	96,494	1,153,805	397,920	1,551,725
Transactions with owners, recorded directly in equity							
Issue of shares		21,851	–	(20,694)	1,157	–	1,157
Purchase of treasury shares		–	–	(63,456)	(63,456)	–	(63,456)
Dividends paid/payable		–	(256,161)	–	(256,161)	(147,654)	(403,815)
Share-based payments		–	–	28,800	28,800	2,958	31,758
Non-controlling interests contributions (net)		–	–	–	–	151,059	151,059
Changes in ownership interests in subsidiaries with a change in control		–	–	–	–	144,249	144,249
Changes in ownership interests in subsidiaries with no change in control		–	17,322	(3,436)	13,886	(43,154)	(29,268)
Share of reserves of associates and joint ventures		–	(14,455)	5,225	(9,230)	(765)	(9,995)
Others		–	12,358	(11,555)	803	50	853
Total transactions with owners		21,851	(240,936)	(65,116)	(284,201)	106,743	(177,458)
At 31 December 2011		6,298,355	8,328,115	275,067	14,901,537	4,337,934	19,239,471

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

Statements of Changes in Equity

Year ended 31 December 2011

The Group	Note	Share Capital $'000	Revenue Reserves $'000	Other Reserves $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
		Attributable to owners of the Company					
At 1 January 2010, as previously reported		6,229,227	6,839,047	339,999	13,408,273	3,471,490	16,879,763
Impact of change in accounting policy	2(a)	–	(293,059)	(1,025)	(294,084)	(43,145)	(337,229)
At 1 January 2010, as restated		6,229,227	6,545,988	338,974	13,114,189	3,428,345	16,542,534
Total comprehensive income							
Profit for the year		–	1,425,678	–	1,425,678	426,521	1,852,199
Other comprehensive income							
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		–	–	(186,721)	(186,721)	(28,975)	(215,696)
Change in fair value of available-for-sale investments		–	–	19,730	19,730	–	19,730
Effective portion of change in fair value of cash flow hedges		–	–	30,476	30,476	3,198	33,674
Share of other comprehensive income of associates and joint ventures		–	–	18,287	18,287	(2,525)	15,762
Total other comprehensive income, net of income tax		–	–	(118,228)	(118,228)	(28,302)	(146,530)
Total comprehensive income		–	1,425,678	(118,228)	1,307,450	398,219	1,705,669
Transactions with owners, recorded directly in equity							
Issue of shares		47,277	–	(25,110)	22,167	–	22,167
Dividends paid/payable		–	(447,369)	–	(447,369)	(103,656)	(551,025)
Share-based payments		–	–	32,150	32,150	2,006	34,156
Non-controlling interests contributions (net)		–	–	–	–	19,742	19,742
Changes in ownership interests in subsidiaries with a change in control		–	–	–	–	(33,786)	(33,786)
Changes in ownership interests in subsidiaries with no change in control		–	14,168	(2,204)	11,964	123,339	135,303
Share of reserves of associates and joint ventures		–	(6,745)	(1,737)	(8,482)	(877)	(9,359)
Others		–	(19,980)	19,844	(136)	(61)	(197)
Total transactions with owners		47,277	(459,926)	22,943	(389,706)	6,707	(382,999)
At 31 December 2010, as restated		6,276,504	7,511,740	243,689	14,031,933	3,833,271	17,865,204

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

The Company	Share Capital $'000	Revenue Reserve $'000	Reserve For Own Shares $'000	Capital Reserves $'000	Equity Compensation Reserve $'000	Total Equity $'000
	Attributable to owners of the Company					
At 1 January 2011	6,276,504	3,301,550	–	383,490	37,862	9,999,406
Total comprehensive income						
Profit for the year	–	251,221	–	–	–	251,221
Transactions with owners, recorded directly in equity						
Dividends paid	–	(256,161)	–	–	–	(256,161)
Issue of shares	21,851	–	–	–	(4,813)	17,038
Purchase of treasury shares	–	–	(63,456)	–	–	(63,456)
Share-based payments	–	–	–	–	6,931	6,931
Total transactions with owners	21,851	(256,161)	(63,456)	–	2,118	(295,648)
At 31 December 2011	6,298,355	3,296,610	(63,456)	383,490	39,980	9,954,979
At 1 January 2010	6,229,227	3,396,949	–	383,490	36,184	10,045,850
Total comprehensive income						
Profit for the year	–	351,970	–	–	–	351,970
Transactions with owners, recorded directly in equity						
Dividends paid	–	(447,369)	–	–	–	(447,369)
Issue of shares	47,277	–	–	–	(6,186)	41,091
Share-based payments	–	–	–	–	7,864	7,864
Total transactions with owners	47,277	(447,369)	–	–	1,678	(398,414)
At 31 December 2010	6,276,504	3,301,550	–	383,490	37,862	9,999,406

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

Consolidated Statement of Cash Flows

Year ended 31 December 2011

	2011 $'000	2010 $'000 Restated*
Operating activities		
Profit after taxation	1,422,920	1,852,199
Adjustments for:		
Amortisation and impairment of intangible assets	1,601	1,627
Allowance/(Write back) for:		
– foreseeable losses	39,155	30,848
– doubtful receivables	406	6,381
– impairment on financial assets	1,329	10,936
– impairment on interests in associates and joint ventures	3,437	(5,413)
– impairment on property, plant and equipment	729	23,891
Gain from bargain purchase	(26)	(11,580)
Share-based expenses	34,343	39,128
Changes in fair value of financial instruments	–	(19,652)
Depreciation of property, plant and equipment	39,008	57,998
Gain on disposal of property, plant and equipment	(969)	(12,077)
Gain on disposal of investment properties	(19,411)	(13,845)
Net fair value gain from investment properties	(285,032)	(394,585)
Gain on disposal/liquidation/dilution of equity investments and other financial assets	(227,017)	(253,785)
Realisation of reserves for pre-existing interest in acquirees	(12,631)	–
Share of results of associates and joint ventures	(876,646)	(959,795)
Provision for fidelity losses	–	7,021
Accretion of deferred income	9,910	(9,209)
Finance costs	472,785	448,183
Interest income	(80,957)	(83,027)
Taxation	190,884	284,100
	(709,102)	(852,855)
Operating profit before working capital changes	713,818	999,344
(Increase)/Decrease in working capital:		
Trade and other receivables	(104,993)	(318,807)
Development properties for sale	(1,073,350)	143,463
Trade and other payables	(142,482)	257,460
Restricted bank deposits	(6,777)	(2,729)
Changes in working capital	(1,327,602)	79,387
Cash (used in)/generated from operations	(613,784)	1,078,731
Income tax paid	(194,922)	(176,490)
Net cash (used in)/generated from operating activities	(808,706)	902,241

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

	Note	2011 $'000	2010 $'000 Restated*
Investing activities			
Proceeds from disposal of property, plant and equipment		3,470	110,286
Purchase of property, plant and equipment		(135,493)	(88,310)
Investments in associates and joint ventures		(183,263)	(215,657)
Advance to investee companies and other receivables		(7,354)	(95,462)
Prepayment for acquisition of an investment property		(22,441)	(18,631)
Deposits for new investments		(400,000)	(135,933)
Deposit for disposal of a subsidiary		48,976	–
Acquisition of investment properties		(1,958,528)	(315,776)
Proceeds from disposal of investment properties		502,889	1,001,467
(Investment in)/Proceeds from disposal of other financial assets		(267,580)	10,360
Dividends received from associates and joint ventures		533,174	247,839
Acquisitions of subsidiaries, net of cash acquired	31(b)	(419,018)	(3,034,955)
Disposals of subsidiaries, net of cash disposed off	31(d)	1,142,375	692,208
Transaction costs for public offering of a subsidiary		–	(18,932)
Interest income received		52,513	44,682
Net cash used in investing activities		(1,110,280)	(1,816,814)
Financing activities			
Proceeds from issue of shares under options		2,804	22,155
Purchase of treasury shares		(63,456)	–
Borrowings from non-controlling interests		49,083	18,739
Contributions from non-controlling interests		149,412	19,742
(Acquisition)/Disposal in ownership interests in subsidiaries with no change in control		(29,268)	150,412
Proceeds from bank borrowings		5,516,970	3,184,232
Repayments of bank borrowings		(3,522,087)	(3,288,517)
Proceeds from issue of debt securities		696,200	700,000
Repayments of debt securities		(919,614)	(404,438)
Repayment of finance lease payables		–	(2,387)
Dividends paid to non-controlling interests		(146,239)	(104,366)
Dividends paid to shareholders		(256,161)	(447,369)
Interest expense paid		(495,946)	(438,608)
Net cash generated from/(used in) financing activities		981,698	(590,405)
Net decrease in cash and cash equivalents		(937,288)	(1,504,978)
Cash and cash equivalents at beginning of the year		7,187,335	8,729,718
Effect of exchange rate changes on cash balances held in foreign currencies		4,920	(37,405)
Cash and cash equivalents at end of the year	15	6,254,967	7,187,335

* *See note 2(a).*

Significant non-cash transaction:
In 2010, the Group disposed off three investment properties to an associate, CapitaMalls Malaysia Trust ("CMMT"), for a consideration of $889.7 million, of which $637.5 million was settled by cash and the balance was settled by way of issuance of 563.5 million units in CMMT.

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 February 2012.

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 note:

Note 9 – recognition of deferred tax assets

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

Note 4 – assumptions of recoverable amounts relating to goodwill impairment
Note 5 – valuation 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 21 – provisions
Note 22 – measurement of share-based payments
Note 32 – valuation of assets, liabilities and contingent liabilities acquired in business combinations
Note 33 – valuation of financial instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(a) Basis of preparation *(cont'd)*

With the adoption of new/revised FRSs effective from 1 January 2011, the Group has changed its accounting policies in the following areas:

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

Prior to the adoption of INT FRS 115, the Group's accounting policy for development properties for sale was to recognise revenue on percentage of completion method which is an allowed alternative method under Recommended Accounting Practice 11 – *Pre-Completion Contracts For The Sale Of Development Property* ("RAP 11"). RAP 11 was withdrawn with effect from 1 January 2011 following the adoption of INT FRS 115.

The Group has considered the application of INT FRS 115 and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore, and concluded that whilst the "pre-completion" sale contracts are not, in substance, construction contracts, the legal terms in certain contracts result in the continuous transfer of work-in-progress to the purchaser. Consequently, the Group will continue to adopt the percentage of completion method of revenue recognition for development projects under progressive payment scheme in Singapore. For the development projects under deferred payment scheme in Singapore and overseas development projects, the construction revenue and expenses 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.

In accordance with the transition provisions of INT FRS 115, this change in accounting policy was applied retrospectively. The effects of the Group's financial statements arising from the adoption of INT FRS 115 are as follows:

	The Group Increase/(Decrease)	
	2011 $'000	2010 $'000
Impact to balance sheet as at 1 January		
Revenue reserves	(140,521)	(293,059)
Other reserves	1,803	(1,025)
Non-controlling interests	(13,540)	(43,145)
Total equity	(152,258)	(337,229)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(a) Basis of preparation *(cont'd)*

	31/12/2010 $'000	1/1/2010 $'000
Impact to balance sheet as at		
Associates and joint ventures	(61,607)	(191,017)
Deferred tax assets	6,649	1,710
Development properties for sale and stocks	247,799	(12,015)
Trade and other receivables	(5,916)	5,392
Total assets	186,925	(195,930)
Trade and other payables	355,700	170,451
Deferred tax liabilities	(16,517)	(29,152)
Total liabilities	339,183	141,299
Net assets	(152,258)	(337,229)

	2010 $'000
Impact to income statement for the year ended 31 December	
Revenue	650
Cost of sales	61,430
Other operating income	(738)
Share of results of associates (net of tax)	(4,584)
Share of results of joint ventures (net of tax)	143,527
Taxation	(18,193)
Non-controlling interests	(29,553)
Profit attributable to the Owners of the Company	152,539
Increase in basic earnings per share (cents)	3.6
Increase in diluted earnings per share (cents)	3.3

From 1 January 2011, the Group has applied the revised FRS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) has resulted in additional parties being identified as related to the Group. Transactions and outstanding balances, including commitments, with these related parties for the current and comparative years have been disclosed accordingly in note 37 to the financial statements.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) has no impact on earnings per share.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(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.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not 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.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(b) Basis of consolidation *(cont'd)*

(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. 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 (including unincorporated or incorporated companies, partnerships and trusts) 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 (collectively referred to as "equity-accounted investees") are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is stated at zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(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 associates and joint ventures 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.

(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 rate at the date of the transaction. 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 reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising from retranslation are recognised in the 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, which are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(c) Foreign currencies *(cont'd)*

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to 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.

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 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 when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation on 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)	Remaining lease period ranging from 4 years to 49 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. No depreciation is recognised where the residual value is higher than the carrying amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(d) Property, plant and equipment *(cont'd)*

Residual values of the properties at the end of the intended holding period are determined based on annual independent professional valuation. Residual value is the estimated amount that the Group would obtain from the disposal of a property if the property is already of the age and in the condition expected at the date when the Group has the intention to dispose that property.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed.

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

(e) Intangible assets

(i) Goodwill

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 previously-held 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 presented 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 impairment losses. They 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 they are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

When an investment property or 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.

(g) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, financial liabilities and trade and other payables.

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

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

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

Instruments at fair value through profit or loss

An instrument is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Financial instruments classified as fair value through profit or loss are measured at fair value, and changes therein are recognised in the profit or loss.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(g) Financial instruments *(cont'd)*

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

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses (see note 2(g)(v)) and foreign exchange gains and losses on available-for-sale monetary items (see note 2(c)), are recognised directly in other comprehensive income and presented in the available-for-sale reserve in equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to the profit or loss.

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

Others

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

(ii) Derivative financial instruments and hedging activities

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

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. To the extent that the hedge is ineffective, changes in fair value are recognised 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
(g) Financial instruments (cont'd)

(ii) Derivative financial instruments and hedging activities (cont'd)

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.

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) are allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(g) Financial instruments *(cont'd)*

(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.

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 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.

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in the profit or loss and reflected as an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(g) Financial instruments *(cont'd)*

(v) Impairment of financial assets (cont'd)

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.

(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 presented as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own share account. Where such 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

Development properties for sale 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.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(j) Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, 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.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the 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 and 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 and a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate and a joint venture may be impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(k) Employee benefits

Short term employee benefits

All short term employee benefits, including accumulated compensated absences, are recognised in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss as incurred.

Long service leave entitlement

Liabilities for other employee entitlements which are not expected to be paid or settled within twelve months of the reporting date are accrued in respect of all employees at the present value of the future amounts expected to be paid based on a projected weighted average increase in wage and salary rates. Expected future payments are discounted using interest rates on relevant government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(l) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(m) Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest 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 *(cont'd)*

(n) Revenue recognition *(cont'd)*

Development properties for sale

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

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

Financial advisory and management fee

Financial advisory and management fee is recognised as and when services are rendered.

Dividends

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

Interest income

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

(o) Finance costs

Borrowing costs are recognised 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.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(p) Tax *(cont'd)*

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

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

(q) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to 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 Council of Chief Executive Officers ("CEOs") that makes strategic resources allocation decisions. The Council of CEOs comprises the President & CEO, key management officers of the corporate office and CEOs of the strategic business units.

3 PROPERTY, PLANT AND EQUIPMENT

The Group	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
Cost								
At 1 January 2011	853,448	5,017	49,187	90,331	3,055	284,230	47,761	1,333,029
Translation differences	(21,244)	111	533	1,645	3	2,630	(6,247)	(22,569)
Additions	2,406	–	13,404	5,204	623	72,305	11,084	105,026
Acquisition of subsidiaries	201,645	–	–	218	–	357	16,615	218,835
Disposal of subsidiaries	(229,397)	–	(164)	–	(555)	(10,256)	(1,738)	(242,110)
Disposals/Written off	(731)	–	(1,172)	(2,278)	(702)	(22,425)	–	(27,308)
Reclassification from other category of assets	–	–	–	–	–	1,550	–	1,550
Reclassification	–	–	–	403	–	124	(527)	–
At 31 December 2011	806,127	5,128	61,788	95,523	2,424	328,515	66,948	1,366,453
Accumulated depreciation and impairment loss								
At 1 January 2011	21,359	171	14,364	42,124	2,081	203,523	–	283,622
Translation differences	820	10	(311)	436	3	1,463	–	2,421
Depreciation for the year	126	134	1,958	6,783	336	29,671	–	39,008
Disposal of subsidiaries	–	–	–	–	(523)	(9,141)	–	(9,664)
Disposals/Written off	–	–	(474)	(2,091)	(617)	(21,257)	–	(24,439)
At 31 December 2011	22,305	315	15,537	47,252	1,280	204,259	–	290,948
Carrying amount								
At 1 January 2011	832,089	4,846	34,823	48,207	974	80,707	47,761	1,049,407
At 31 December 2011	783,822	4,813	46,251	48,271	1,144	124,256	66,948	1,075,505
Cost								
At 1 January 2010	1,502,438	841	23,276	72,336	2,831	272,373	190,024	2,064,119
Translation differences	(156,820)	(188)	(1,720)	(8,423)	(60)	(17,842)	754	(184,299)
Additions	34,914	–	235	6,262	370	41,686	37,474	120,941
Acquisition of subsidiaries	245,006	4,364	37,964	45,601	784	16,854	–	350,573
Disposal of subsidiaries	(872,801)	–	–	(18,667)	(168)	(21,988)	(114)	(913,738)
Disposals/Written off	(64,066)	–	(3,117)	(7,069)	(702)	(29,613)	–	(104,567)
Reclassification	164,777	–	(7,451)	291	–	22,760	(180,377)	–
At 31 December 2010	853,448	5,017	49,187	90,331	3,055	284,230	47,761	1,333,029
Accumulated depreciation and impairment loss								
At 1 January 2010	49,061	41	10,818	52,359	1,806	177,733	–	291,818
Translation differences	(4,740)	(3)	1,250	(1,538)	618	(3,402)	–	(7,815)
Depreciation for the year	9,061	133	2,845	10,375	339	35,245	–	57,998
Impairment loss	12,092	–	–	–	–	11,408	–	23,500
Disposal of subsidiaries	(22,571)	–	–	(12,244)	(88)	(11,277)	–	(46,180)
Disposals/Written off	–	–	(549)	(6,739)	(594)	(27,817)	–	(35,699)
Reclassification	(21,544)	–	–	(89)	–	21,633	–	–
At 31 December 2010	21,359	171	14,364	42,124	2,081	203,523	–	283,622
Carrying amount								
At 1 January 2010	1,453,377	800	12,458	19,977	1,025	94,640	190,024	1,772,301
At 31 December 2010	832,089	4,846	34,823	48,207	974	80,707	47,761	1,049,407

Notes to the Financial Statements

3 PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(a) As at 31 December 2011, certain property, plant and equipment with carrying value totalling approximately $391.6 million (2010: $392.2 million) were mortgaged to banks to secure credit facilities for the Group (note 18).

(b) In 2010, the Group recognised an impairment loss of $23.5 million relating to a serviced residence property in Australia and operating assets of certain leased properties in Europe. The impairment loss was determined based on value in use calculation using cash flow projections, and was recognised in "Other Operating Expenses" in the income statement.

(c) During the financial year ended 31 December 2011, interest capitalised as cost of property, plant and equipment amounted to approximately $3.1 million (2010: $4.2 million) (note 27(d)).

The Company	Renovations and improvements $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
Cost				
At 1 January 2011	11,578	16,741	442	28,761
Additions	170	7,762	340	8,272
Disposals/Written off	–	(569)	(266)	(835)
At 31 December 2011	11,748	23,934	516	36,198
Accumulated depreciation				
At 1 January 2011	10,784	9,380	433	20,597
Depreciation for the year	595	2,961	42	3,598
Disposals/Written off	–	(561)	(266)	(827)
At 31 December 2011	11,379	11,780	209	23,368
Carrying amount				
At 1 January 2011	794	7,361	9	8,164
At 31 December 2011	369	12,154	307	12,830
Cost				
At 1 January 2010	11,418	11,879	431	23,728
Additions	327	5,303	11	5,641
Disposals/Written off	(167)	(441)	–	(608)
At 31 December 2010	11,578	16,741	442	28,761
Accumulated depreciation				
At 1 January 2010	8,161	7,845	431	16,437
Depreciation for the year	2,661	1,989	2	4,652
Disposals/Written off	(38)	(454)	–	(492)
At 31 December 2010	10,784	9,380	433	20,597
Carrying amount				
At 1 January 2010	3,257	4,034	–	7,291
At 31 December 2010	794	7,361	9	8,164

4 INTANGIBLE ASSETS

The Group	Goodwill $'000	Others^ $'000	Total $'000
Cost			
At 1 January 2011	511,341	26,048	537,389
Acquisition of a subsidiary	–	835	835
Additions	–	410	410
Disposals/Written off	(492)	(21)	(513)
Translation differences	237	(303)	(66)
At 31 December 2011	511,086	26,969	538,055
Accumulated amortisation and impairment loss			
At 1 January 2011	65,924	11,860	77,784
Amortisation for the year	–	1,601	1,601
Translation differences	237	(289)	(52)
At 31 December 2011	66,161	13,172	79,333
Carrying amount			
At 1 January 2011	445,417	14,188	459,605
At 31 December 2011	444,925	13,797	458,722
Cost			
At 1 January 2010	570,443	23,624	594,067
Additions	–	3,343	3,343
Disposals/Written off	(57,231)	(194)	(57,425)
Translation differences	(1,871)	(725)	(2,596)
At 31 December 2010	511,341	26,048	537,389
Accumulated amortisation and impairment loss			
At 1 January 2010	64,943	11,098	76,041
Amortisation for the year	–	1,627	1,627
Disposals/Written off	–	(185)	(185)
Translation differences	981	(680)	301
At 31 December 2010	65,924	11,860	77,784
Carrying amount			
At 1 January 2010	505,500	12,526	518,026
At 31 December 2010	445,417	14,188	459,605

The Company	Goodwill $'000	Others^ $'000	Total $'000
Cost and carrying amount			
At 1 January 2010, 31 December 2010 and 31 December 2011	–	147	147

^ *Others comprised trademarks, franchises, patents, licences and club memberships.*

Notes to the Financial Statements

4 INTANGIBLE ASSETS *(cont'd)*

Impairment test for Goodwill

For the purpose of goodwill impairment testing, the aggregate carrying amount of goodwill allocated to the cash-generating unit ("CGU") as at 31 December is as follows:

	Terminal Growth Rate		Discount Rate		Carrying Value	
	31/12/2011 %	31/12/2010 %	31/12/2011 %	31/12/2010 %	31/12/2011 $'000	31/12/2010 $'000
The Ascott Limited ("Ascott")	0.7	0.8	5.6	6.4	444,925	445,417

The recoverable amount of the CGU is determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering three years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rate applied is the weighted average cost of capital from the relevant business segment. The key assumptions are those relating to expected changes in average room rates and occupancy and direct costs. The terminal growth rate used for each CGU does not exceed management's expectation of the long term average growth rate 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

	Note	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000
At 1 January		4,732,895	5,058,507
Acquisition of subsidiaries	31(b)	428,255	1,263,170
Disposal of subsidiaries	31(d)	(239,052)	(1,052,291)
Additions		2,172,334	336,243
Disposals		(471,248)	(1,216,693)
Reclassification from/(to) development properties for sale		52,347	(39,505)
Changes in fair value	27(a)	285,032	394,585
Translation differences		114,054	(11,121)
At 31 December		7,074,617	4,732,895

(a) Investment properties, which include investment properties 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 and/or discounted cash flows 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.

5 INVESTMENT PROPERTIES *(cont'd)*

(b) As at 31 December 2011, investment properties included $3,376.5 million (31/12/2010: $1,176.0 million) of investment properties under development.

(c) As at 31 December 2011, certain investment properties with carrying value of approximately $2,289.0 million (31/12/2010: $1,552.4 million) were mortgaged to banks to secure credit facilities for the Group (notes 18 and 19).

(d) During the financial year ended 31 December 2011, interest capitalised as cost of investment properties amounted to approximately $23.5 million (31/12/2010: $4.9 million) (note 27(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 31/12/2011 $'000	The Group 31/12/2010 $'000	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Lease rentals receivable:				
Not later than 1 year	300,985	240,059	–	–
Between 1 and 5 years	1,030,601	719,737	–	–
After 5 years	491,466	448,855	–	–
	1,823,052	1,408,651	–	–

(f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to $3.5 million for the year (31/12/2010: $4.8 million).

6 SUBSIDIARIES

	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
(a) Unquoted shares, at cost	7,434,320	7,247,453
Less:		
Allowance for impairment loss	(70,264)	(113,700)
	7,364,056	7,133,753
Add:		
Amounts owing by subsidiaries:		
Loan accounts		
– interest bearing	1,424,750	3,674,750
– interest free	1,956,745	1,636,160
Less: Allowance for doubtful receivables	(139,742)	(8,960)
	3,241,753	5,301,950
	10,605,809	12,435,703

(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 2011, the effective interest rates for amounts owing by subsidiaries ranged from 2.10% to 2.95% (31/12/2010: 2.10% to 3.13%) per annum.

Notes to the Financial Statements

6 SUBSIDIARIES *(cont'd)*

(a) Unquoted shares, at cost *(cont'd)*

(iii) Movements in allowance for impairment loss are as follows:

	The Company 2011 $'000	The Company 2010 $'000
At 1 January	(113,700)	(163,132)
Allowance during the year	(16,931)	(48,541)
Allowance written back during the year	–	97,973
Allowance utilised upon disposal	60,367	–
At 31 December	(70,264)	(113,700)

During the year, an allowance for impairment loss amounting to $16.9 million (2010: $48.5 million) was recognised in respect of the Company's investments in certain subsidiaries as a result of a decline in market value of assets held by these subsidiaries, arising from a decline in the economic environment in which the relevant subsidiaries operate. The recoverable amounts for each of the relevant subsidiaries were estimated based on the higher of the value in use calculation using cash flow projections based on financial budgets and forecasts covering a three year period, or the fair value of the net assets as at balance sheet date. In 2010, a reversal of impairment amounting to $98.0 million was recognised in respect of certain subsidiaries as a result of an increase in the recoverable amounts of these subsidiaries.

(iv) The movements in allowances for doubtful receivables during the year in respect of the amount owing by subsidiaries are as follows:

	The Company 2011 $'000	The Company 2010 $'000
At 1 January	(8,960)	(18,049)
Allowance during the year	(130,782)	–
Allowance written back during the year	–	9,089
At 31 December	(139,742)	(8,960)

During the year, an allowance for doubtful receivables of $130.8 million was made in respect of loans extended to subsidiaries, to write down the amount to their estimated fair values.

(b) Details of the subsidiaries are set out in note 38.

7 ASSOCIATES

	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000 Restated	The Group 1/1/2010 $'000 Restated
(a) Interests in associates			
Investment in associates	8,668,135	7,479,769	6,490,346
Less:			
Allowance for impairment loss	(48,090)	(48,473)	(44,473)
	8,620,045	7,431,296	6,445,873
Add:			
Amounts owing by associates:			
Loan accounts			
– interest free	339,910	435,112	239,608
– interest bearing	331,289	331,289	289,288
	671,199	766,401	528,896
	9,291,244	8,197,697	6,974,769
Less:			
Allowance for doubtful receivables	(507)	(6,290)	(6,950)
	9,290,737	8,191,407	6,967,819

(i) Movements in allowance for impairment loss are as follows:

	Note	The Group 2011 $'000	The Group 2010 $'000
At 1 January		(48,473)	(44,473)
Allowance during the year	27(c)(iii)	(3,437)	(4,000)
Allowance utilised		3,820	–
At 31 December		(48,090)	(48,473)

During the year, an allowance for impairment loss amounting to $3.4 million was made in respect of the Group's investment in Malaysia to reduce the carrying value of the investment to its recoverable amount. The recoverable amount was estimated based on the residual net asset value of the investment. In 2010, an allowance for impairment loss amounting to $4.0 million was made in respect of the Group's investments in Gulf Cooperation Council countries.

(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 2011, the effective interest rate for the loans to an associate is 2.54% (31/12/2010: 3.38%; 1/1/2010: 3.80%) per annum.

(iv) Loan accounts include an amount of approximately $331.3 million (31/12/2010: $359.3 million; 1/1/2010: $317.5 million) which is subordinated to the borrowings of certain associates.

(v) The Group's share of the contingent liabilities of the associates is $339.6 million (31/12/2010: $271.7 million; 1/1/2010: $43.7 million).

7 ASSOCIATES *(cont'd)*

(a) Interests in associates *(cont'd)*

(vi) The Group's investments in associates include investments in listed associates with a carrying amount of $4,774.6 million (31/12/2010: $4,427.7 million; 1/1/2010: $3,780.0 million), for which the published price quotations are $3,900.1 million (31/12/2010: $4,612.4 million; 1/1/2010: $3,578.9 million).

	Note	The Group 31/12/2011 $'000	31/12/2010 $'000	1/1/2010 $'000
(b) Amounts owing by/(to) associates:				
Current accounts (unsecured)				
– interest free (trade)		60,616	41,484	95,283
– interest free (non-trade)		84,570	241,284	246,775
– interest bearing (non-trade)		269,416	276,836	325,641
		414,602	559,604	667,699
Less:				
Allowance for doubtful receivables		(5,475)	(6,330)	(5,591)
	12	409,127	553,274	662,108
Current accounts (mainly non-trade and unsecured)				
– interest free		(114,431)	(105,156)	(227,870)
– interest bearing		(155,474)	(1,586)	(78,638)
	16	(269,905)	(106,742)	(306,508)

(c) In April 2011, the Group acquired 40% interest in Surbana Corporation Pte Ltd ("Surbana") for $364.0 million (including transaction costs) in cash. The share of fair value of Surbana's net assets in the Group's financial statements on the date of the acquisition was $252.1 million.

(d) Details of the associates are set out in note 39.

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

	The Group 31/12/2011 $'000	31/12/2010 $'000 Restated	1/1/2010 $'000 Restated
Balance sheet			
Total assets	47,535,023	40,834,474	26,975,175
Total liabilities	22,345,535	14,701,854	12,830,795
Income statement			
Revenue	4,682,279	3,454,559	
Profit after taxation	1,969,598	2,142,944	

8 JOINT VENTURES

	The Group 31/12/2011 $'000	31/12/2010 $'000 Restated	1/1/2010 $'000 Restated
(a) Interests in joint ventures			
Investment in joint ventures	1,123,804	1,206,893	859,974
Less:			
Allowance for impairment loss	(10,211)	(13,004)	(22,417)
	1,113,593	1,193,889	837,557
Amounts owing by joint ventures:			
Loan accounts			
– interest free	104,841	217,641	190,743
– interest bearing	188,954	459,327	509,193
	293,795	676,968	699,936
	1,407,388	1,870,857	1,537,493
Less:			
Allowance for doubtful receivables	(13,125)	(13,497)	(12,099)
	1,394,263	1,857,360	1,525,394

(i) Movements in allowance for impairment loss are as follows:

	Note	The Group 2011 $'000	2010 $'000
At 1 January		(13,004)	(22,417)
Allowance written back during the year	27(a)	–	9,413
Allowance utilised		2,793	–
At 31 December		(10,211)	(13,004)

(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 2011, the effective interest rates for the loans to joint ventures ranged from 1.00% to 7.25% (31/12/2010: 1.00% to 6.00%; 1/1/2010: 1.00% to 9.00%) per annum.

(iv) Loan accounts include an amount of approximately $182.1 million (31/12/2010: $177.1 million; 1/1/2010: $570.7 million) subordinated to the borrowings of certain joint ventures.

8 JOINT VENTURES *(cont'd)*

(b) Amounts owing by/(to) joint ventures:

	Note	The Group 31/12/2011 $'000	31/12/2010 $'000	1/1/2010 $'000
Current accounts (unsecured)				
– interest free (trade)		13,693	11,457	16,771
– interest free (non-trade)		145,814	167,220	205,916
– interest bearing (non-trade)		–	–	694
		159,507	178,677	223,381
Less:				
Allowance for doubtful receivables		(9,606)	(11,252)	(9,044)
	12	149,901	167,425	214,337
Current accounts (unsecured)				
– interest free (mainly non-trade)		(31,139)	(22,050)	(20,135)
– interest bearing (non-trade)		–	–	(11)
	16	(31,139)	(22,050)	(20,146)

(c) Details of the joint ventures are set out in note 40.

(d) Movements in allowance for doubtful receivables in respect of the above loans and current accounts are as follows:

	The Group 2011 $'000	2010 $'000
At 1 January	(24,749)	(21,143)
Allowance during the year	(990)	(4,500)
Allowance written back during the year	1,622	6
Allowance utilised	395	–
Translation differences	991	888
At 31 December	(22,731)	(24,749)

8 JOINT VENTURES *(cont'd)*

(e) The Group's share of the joint ventures' assets, liabilities and results is as follows:

	The Group 31/12/2011 $'000	31/12/2010 $'000 Restated	1/1/2010 $'000 Restated
Balance sheet			
Investment properties	2,107,386	1,617,720	1,556,170
Other non-current assets	56,964	131,386	112,789
	2,164,350	1,749,106	1,668,959
Current assets	1,120,963	1,440,566	1,842,524
Less:			
Current liabilities	(310,452)	(440,225)	(868,301)
Net current assets	810,511	1,000,341	974,223
	2,974,861	2,749,447	2,643,182
Less:			
Non-current liabilities	(1,797,894)	(1,496,184)	(1,671,203)
	1,176,967	1,253,263	971,979
Income statement			
Revenue	599,222	1,182,469	
Expenses	(468,261)	(733,061)	
Fair value gains on investment properties	109,893	94,086	
Profit before taxation	240,854	543,494	
Taxation	(15,402)	(78,472)	
Profit after taxation	225,452	465,022	

(f) The Group's share of the capital commitments of the joint ventures is $333.2 million (31/12/2010: $199.8 million; 1/1/2010: $183.5 million).

(g) The Group's share of the contingent liabilities of the joint ventures is $0.1 million (31/12/2010: $41.8 million; 1/1/2010: $70.8 million).

Notes to the Financial Statements

9 DEFERRED TAXATION

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group	At 1/1/2011 as previously reported $'000	Effect of change in accounting policy $'000	At 1/1/2011 as restated $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Disposal of subsidiaries $'000	Translation differences $'000	At 31/12/2011 $'000
Deferred tax liabilities								
Accelerated tax depreciation	12,736	–	12,736	1,093	–	–	591	14,420
Discounts on compound financial instruments	55,176	–	55,176	(10,809)	–	–	–	44,367
Accrued income and interest receivable	13,661	–	13,661	1,359	–	–	18	15,038
Capital allowances of assets in investment properties	10,075	–	10,075	(7,927)	–	–	–	2,148
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	447,192	(16,517)	430,675	22,243	–	(1,925)	10,687	461,680
Fair value changes of investment properties	95,692	–	95,692	46,449	–	(7,539)	5,611	140,213
Unremitted earnings/ Deferred income	26,309	–	26,309	14,409	–	–	548	41,266
Derivative financial instruments	589	–	589	(606)	–	–	17	–
Others	22,766	–	22,766	(9,846)	(1,482)	(2,104)	161	9,495
Total	684,196	(16,517)	667,679	56,365	(1,482)	(11,568)	17,633	728,627
Deferred tax assets								
Unutilised tax losses	(74,900)	(3,527)	(78,427)	17,372	–	–	(634)	(61,689)
Provisions and expenses	(57,385)	–	(57,385)	(367)	–	–	(846)	(58,598)
Deferred income	(17,741)	–	(17,741)	(4,645)	–	–	(423)	(22,809)
Fair value adjustments on initial recognition of development properties for sale	(23,592)	–	(23,592)	–	–	–	(626)	(24,218)
Others	(5,026)	(3,122)	(8,148)	(21,406)	–	–	208	(29,346)
Total	(178,644)	(6,649)	(185,293)	(9,046)	–	–	(2,321)	(196,660)

9 DEFERRED TAXATION *(cont'd)*

The Group	At 1/1/2010 as previously reported $'000	Effect of change in accounting policy $'000	At 1/1/2010 as restated $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Acquisition/ Disposal of subsidiaries $'000	Translation differences $'000	At 31/12/2010 as restated $'000
Deferred tax liabilities								
Accelerated tax depreciation	25,117	–	25,117	7,873	–	(16,725)	(3,529)	12,736
Discounts on compound financial instruments	65,986	–	65,986	(10,810)	–	–	–	55,176
Accrued income and interest receivable	7,340	–	7,340	5,605	–	–	716	13,661
Capital allowances of assets in investment properties	9,851	–	9,851	283	–	–	(59)	10,075
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	87,632	(29,152)	58,480	(2,700)	–	396,699	(21,804)	430,675
Fair value changes of investment properties	26,820	–	26,820	67,425	–	11,495	(10,048)	95,692
Unremitted earnings/ Deferred income	39,042	–	39,042	(12,852)	–	–	119	26,309
Derivative financial instruments	–	–	–	578	–	–	11	589
Others	10,389	–	10,389	10,394	1,470	1,998	(1,485)	22,766
Total	272,177	(29,152)	243,025	65,796	1,470	393,467	(36,079)	667,679
Deferred tax assets								
Unutilised tax losses	(75,692)	(1,710)	(77,402)	(12,654)	–	8,038	3,591	(78,427)
Provisions and expenses	(75,214)	–	(75,214)	14,170	–	3,202	457	(57,385)
Deferred income	(15,528)	–	(15,528)	(2,028)	–	–	(185)	(17,741)
Derivative financial instruments	(3,609)	–	(3,609)	–	3,647	–	(38)	–
Fair value adjustments on initial recognition of development properties for sale	–	–	–	–	–	(24,652)	1,060	(23,592)
Others	(9,628)	–	(9,628)	(1,339)	–	–	2,819	(8,148)
Total	(179,671)	(1,710)	(181,381)	(1,851)	3,647	(13,412)	7,704	(185,293)

9 DEFERRED TAXATION *(cont'd)*

The Company	At 1/1/2011 $'000	Recognised in profit or loss $'000	At 31/12/2011 $'000
Deferred tax liabilities			
Discounts on compound financial instruments	55,176	(10,809)	44,367
Deferred tax assets			
Provisions	(3,135)	251	(2,884)

The Company	At 1/1/2010 $'000	Recognised in profit or loss $'000	At 31/12/2010 $'000
Deferred tax liabilities			
Discounts on compound financial instruments	65,986	(10,810)	55,176
Deferred tax assets			
Provisions	(5,461)	2,326	(3,135)

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	
	31/12/2011 $'000	31/12/2010 $'000 Restated	1/1/2010 $'000 Restated	31/12/2011 $'000	31/12/2010 $'000
Deferred tax liabilities	627,638	576,721	144,604	44,367	55,176
Deferred tax assets	(95,671)	(94,335)	(82,960)	(2,884)	(3,135)
	531,967	482,386	61,644	41,483	52,041

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:

	The Group	
	31/12/2011 $'000	31/12/2010 $'000 Restated
Deductible temporary differences	77,759	118,232
Tax losses	421,764	350,051
Unutilised capital allowances	5,686	819
	505,209	469,102

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.

10 OTHER NON-CURRENT/OTHER CURRENT ASSETS

	Note	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000
(a) Other non-current assets			
Available-for-sale equity securities		349,343	202,494
Derivative assets		31,720	4,814
Amounts owing by:			
– associates and a joint venture (interest free)		8,481	–
– a joint venture (interest bearing)	(i)	135,000	–
Interest receivables	(ii)	50,500	37,591
Other receivables	(iii)	169,283	63,306
Prepayments	(iv)	51,628	–
		795,955	308,205

(i) Amount owing by the joint venture is unsecured and bears an effective interest rate of 3.25% per annum.

(ii) Interest receivables include (i) $39.6 million (31/12/2010: $28.8 million) in respect of loan to an associate which bears an interest rate of 2.54% (31/12/2010: 3.38%) per annum and is due on 31 December 2014; and (ii) $10.9 million (31/12/2010: $8.8 million) in respect of loan to a joint venture which bears an interest rate of 1.45% (31/12/2010: 1.38%) per annum and is due after the Temporary Occupation Permit for the development property is obtained, which is expected to be in December 2013.

(iii) Other receivables include:

(a) $31.9 million (31/12/2010: Nil) due from a third party which bears an effective interest rate of 8.3% (31/12/2010: Nil) per annum, is secured and repayable in June 2013, or extendable by one year as mutually agreed;

(b) $34.4 million (31/12/2010: Nil) from a third party which bears an effective interest rate of 13.0% per annum (31/12/2010: Nil), is secured and repayable in July 2013;

(c) Consideration receivable of $76.9 million relating to the sale of a joint venture. The consideration will be paid in four annual instalments with the first instalment due on 7 April 2012 (note 14); and

(d) As at 31 December 2010, other receivables included an amount of $42.9 million due from a third party which bore an effective interest rate of 5.4% per annum, was unsecured and repayable in June 2012, or such earlier date as mutually agreed. This amount has been fully repaid in 2011.

(iv) The prepayments relate to progress payments for a property under development and facility fees.

(b) Other current assets

	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000
Available-for-sale money market investment	195,000	195,000
Derivative assets	–	8,009
	195,000	203,009

Notes to the Financial Statements

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS

		The Group	
	31/12/2011 $'000	31/12/2010 $'000 Restated	1/1/2010 $'000 Restated
(a) Properties in the course of development, at cost	7,535,406	5,755,337	3,851,359
Less:			
Allowance for foreseeable losses	(47,693)	(47,693)	(42,693)
	7,487,713	5,707,644	3,808,666
Add:			
Attributable profit	347,845	50,945	108,942
	7,835,558	5,758,589	3,917,608
Less:			
Progress billings	(1,190,853)	(434,763)	(630,173)
	6,644,705	5,323,826	3,287,435
(b) Completed development properties, at cost	259,948	343,003	290,794
(c) Consumable stocks	471	320	26
Total development properties for sale and stocks	6,905,124	5,667,149	3,578,255

(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, the total estimated development costs and the estimated total revenue. 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) During the financial year, the following amounts were capitalised as cost of development properties for sale:

		The Group	
	Note	31/12/2011 $'000	31/12/2010 $'000
Staff costs	27(b)	61,404	52,119
Interest costs paid/payable	27(d)	100,725	83,321
Less:			
Interest received/receivable from project fixed deposit accounts	27(a)	(474)	(259)
		161,655	135,181

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS *(cont'd)*

(f) As at 31 December 2011, development properties for sale amounting to approximately $2,037.7 million (31/12/2010: $1,069.0 million; 1/1/2010: $1,820.2 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

(g) As at 31 December 2011, properties amounting to approximately $77.8 million (31/12/2010: $137.5 million; 1/1/2010: $93.9 million) were acquired through unconditional exchange contracts with various land vendors. The related amount owing to land vendors is secured over the title of the properties being purchased (notes 16 and 21).

12 TRADE AND OTHER RECEIVABLES

		The Group			The Company	
	Note	31/12/2011 $'000	31/12/2010 $'000 Restated	1/1/2010 $'000 Restated	31/12/2011 $'000	31/12/2010 $'000
Accrued receivables	(a)	2,959	115,830	57,413	–	–
Trade receivables	13	386,773	280,853	143,626	227	20
Deposits and other receivables	14	696,564	891,558	140,557	438	278
Amounts owing by:						
– subsidiaries	17	–	–	–	2,588,058	1,163,057
– associates	7(b)	409,127	553,274	662,108	–	–
– joint ventures	8(b)	149,901	167,425	214,337	–	–
– investees:						
– interest free		1,645	1,789	38	–	–
– interest bearing		53,914	–	2,003	–	–
– non-controlling interests (unsecured and interest free)		640	–	35,279	–	–
Loans and receivables	33(e)	1,701,523	2,010,729	1,255,361	2,588,723	1,163,355
Prepayments		67,851	122,980	51,947	1,579	3,171
		1,769,374	2,133,709	1,307,308	2,590,302	1,166,526

(a) Accrued receivables relate mainly to the balance of sales consideration to be billed upon the completion of the Group's development properties for sale.

(b) As at 31 December 2011, certain trade and other receivables amounting to approximately $77.6 million (31/12/2010: $1.8 million; 1/1/2010: $224.3 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

13 TRADE RECEIVABLES

		The Group		The Company	
	Note	31/12/2011 $'000	31/12/2010 $'000 Restated	31/12/2011 $'000	31/12/2010 $'000
Trade receivables		397,450	295,368	227	20
Less:					
Allowance for doubtful receivables		(10,677)	(14,515)	–	–
	12	386,773	280,853	227	20

Notes to the Financial Statements

13 TRADE RECEIVABLES *(cont'd)*

(a) The maximum exposure to credit risk for trade receivables at the reporting date (by strategic business units) is:

	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000 Restated
CapitaLand Residential Singapore	83,176	33,629
CapitaLand China Holdings	3,285	1,724
CapitaLand Commercial	14,493	14,576
Ascott	35,890	42,936
CapitaValue Homes	12,134	3,467
CapitaLand Financial	39,425	49,254
CapitaMalls Asia	131,387	28,890
Australand	63,689	103,338
Others	3,294	3,039
	386,773	280,853

The credit quality of trade and other receivables is assessed based on credit policy 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 is:

The Group	Gross amount 31/12/2011 $'000	Allowance for doubtful receivables 31/12/2011 $'000	Gross amount 31/12/2010 $'000 Restated	Allowance for doubtful receivables 31/12/2010 $'000
Not past due	337,057	–	240,426	–
Past due 1 – 30 days	11,985	(130)	17,073	(3,410)
Past due 31 – 90 days	16,213	(108)	14,736	(5,448)
More than 90 days	32,195	(10,439)	23,133	(5,657)
	397,450	(10,677)	295,368	(14,515)

(c) The movements in allowance for doubtful receivables in respect of trade receivables during the year are as follows:

	The Group 2011 $'000	The Group 2010 $'000
At 1 January	(14,515)	(10,655)
Allowance utilised	726	464
Write-back/(Allowance) during the year	2,856	(4,255)
Translation differences	256	(69)
At 31 December	(10,677)	(14,515)

Based on historical default rates, the Group believes that no allowance for doubtful debts is necessary in respect of the receivables not past due.

14 DEPOSITS AND OTHER RECEIVABLES

	Note	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Deposits		586,728	292,494	306	228
Other receivables		127,111	609,511	132	50
Less:					
Allowance for doubtful receivables		(19,771)	(17,823)	–	–
		107,340	591,688	132	50
Tax recoverable		2,496	7,376	–	–
	12	696,564	891,558	438	278

Other receivables include staff loans, interest receivables, deferred sales consideration and other recoverables.

As at 31 December 2010, other receivables included consideration receivable of $399.9 million and loans of $50.8 million assigned to the buyers relating to the sale of a subsidiary. The amounts have been fully received in 2011.

Other than disclosed above, the Group believes that no additional allowance for doubtful debts is required in respect of the other receivables.

15 CASH AND CASH EQUIVALENTS

	Note	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Fixed deposits		3,393,993	5,629,566	319,194	52,647
Cash at banks and in hand		2,767,834	1,364,912	7,345	1,307
Amounts held under "Project Account Rules – 1997 Ed"	(a)	102,646	195,586	–	–
Cash and cash equivalents		6,264,473	7,190,064	326,539	53,954
Restricted bank deposits	(b)	(9,506)	(2,729)		
Cash and cash equivalents in the statement of cash flows		6,254,967	7,187,335		

(a) The withdrawal from amounts held under "Project Account Rules – 1997 Ed" are restricted to payments for expenditure incurred on development projects.

(b) These are bank balances of certain subsidiaries pledged in relation to bankers' guarantees issued to the subsidiaries' contractors.

(c) The Group's cash and cash equivalents are held mainly in Singapore Dollars, US Dollars, Australian Dollars, Chinese Renminbi and Malaysian Ringgit. As at 31 December 2011, the effective interest rates for cash and cash equivalents ranged from 0% to 14.0% (31/12/2010: 0% to 13.0%) per annum.

The cash and cash equivalents are held with banks and financial institutions which meet the appropriate credit criteria and are of high credit standing.

16 TRADE AND OTHER PAYABLES

	Note	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000 Restated	The Group 1/1/2010 $'000 Restated	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Trade payables		115,382	115,021	121,756	84	2,239
Accruals	(a)	587,685	583,197	530,968	44,106	37,649
Accrued development expenditure		278,770	321,632	209,535	–	–
Accrued capital expenditure	(b)	42,563	107,065	78,565	–	–
Other payables	(c)	317,426	271,977	339,483	975	1,867
Rental and other deposits		33,291	29,413	33,519	3	3
Derivative liabilities		58,175	3,216	40,539	–	–
Provisions	21(a)	18,596	7,177	8,995	–	–
Liability for employee benefits	22	38,644	40,542	46,272	20,221	22,927
Amounts owing to:						
– subsidiaries	17	–	–	–	5,445	130,682
– associates	7(b)	269,905	106,742	306,508	–	–
– joint ventures	8(b)	31,139	22,050	20,146	–	–
Non-controlling interests (unsecured):						
– interest free		55,142	41,747	116,127	–	–
– interest bearing		105,000	198	203	–	–
Progress billings		318,770	400,108	197,852	–	–
		2,270,488	2,050,085	2,050,468	70,834	195,367

(a) Accruals included accrued interest payable, accrued expenditure for property, plant and equipment purchases and accrued administrative expenses.

(b) Accrued capital expenditure relates to amounts owing by a subsidiary of the Group to land vendors under certain unconditional contracts entered into to purchase properties for future developments. The total acquisition cost of the properties has been included in development properties for sale and the amount payable is secured over the relevant development properties.

(c) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.

17 AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Note	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Current			
Amounts owing by subsidiaries:			
– current accounts, mainly non-trade and interest bearing		24,977	52,835
– current loan			
– interest free		367,573	988,374
– interest bearing		2,226,133	177,797
		2,593,706	1,166,171
Less: Allowance for doubtful receivables		(30,625)	(55,949)
		2,563,081	1,110,222
	12	2,588,058	1,163,057

17 AMOUNTS OWING BY/(TO) SUBSIDIARIES *(cont'd)*

	Note	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Current *(cont'd)*			
Amounts owing to subsidiaries:			
– current accounts, mainly non-trade and interest bearing		–	(293)
– current loan			
– interest free		(5,445)	(130,389)
	16	(5,445)	(130,682)

(a) Movements in allowance for doubtful receivables are as follows:

	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
At 1 January	55,949	100,456
Allowance during the year	2,575	–
Allowance written back during the year	(3,109)	(44,507)
Allowance utilised upon disposal	(24,790)	–
At 31 December	30,625	55,949

(b) All balances with subsidiaries are unsecured, repayable on demand and bear effective interest rates ranged from 0.03% to 1.00% (31/12/2010: 0.03% to 0.06%) per annum.

18 BANK BORROWINGS

	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000
Bank borrowings		
– secured	2,341,774	1,276,512
– unsecured	4,190,027	3,374,153
	6,531,801	4,650,665
Repayable:		
Not later than 1 year	426,011	852,255
Between 1 and 2 years	1,145,806	1,420,784
Between 2 and 5 years	4,863,061	2,061,522
After 5 years	96,923	316,104
After 1 year	6,105,790	3,798,410
	6,531,801	4,650,665

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Australian Dollars, US Dollars, Hong Kong Dollars, Japanese Yen and Chinese Renminbi. As at 31 December 2011, the effective interest rates for bank borrowings ranged from 0.73% to 12.00% (31/12/2010: 0.63% to 16.00%) per annum.

18 BANK BORROWINGS *(cont'd)*

(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

(ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

19 DEBT SECURITIES

Debt securities comprise fixed rate notes, floating rate notes, hybrid rate notes and bonds issued by the Company and subsidiaries in the Group.

	The Group		The Company	
	31/12/2011 $'000	31/12/2010 $'000	31/12/2011 $'000	31/12/2010 $'000
Convertible bonds	3,448,046	3,370,641	3,432,956	3,379,883
Notes and bonds	2,210,792	2,336,737	–	–
	5,658,838	5,707,378	3,432,956	3,379,883
Secured notes and bonds	140,409	339,551	–	–
Unsecured notes and bonds	5,518,429	5,367,827	3,432,956	3,379,883
	5,658,838	5,707,378	3,432,956	3,379,883
Repayable:				
Not later than 1 year	434,228	909,519	–	–
Between 1 and 2 years	–	300,000	–	–
Between 2 and 5 years	1,989,426	129,869	1,443,181	–
After 5 years	3,235,184	4,367,990	1,989,775	3,379,883
After 1 year	5,224,610	4,797,859	3,432,956	3,379,883
	5,658,838	5,707,378	3,432,956	3,379,883

(a) As at 31 December 2011, the effective interest rates for debt securities ranged from 1.00% to 5.81% (31/12/2010: 0.97% to 6.27%) per annum.

(b) The repayment schedule for convertible bonds was based on its final maturity dates.

(c) The Group and the Company have the following convertible bonds which remain outstanding as at 31 December 2011:

Date Issued	Aggregate Principal Amount Outstanding	Conversion Price	Interest Rate	Put Dates	Final Maturity Dates	Redemption Price
15 November 2006	$424.7 million	$6.01	2.1%	15 November 2013	15 November 2016	100%
20 June 2007	$1.0 billion	$11.5218	2.95%	20 June 2017 & 20 June 2019	20 June 2022	100%
5 March 2008	$1.05 billion	$7.1468	3.125%	5 March 2015	5 March 2018	109.998%
3 September 2009	$1.2 billion	$4.7247	2.875%	–	3 September 2016	100%

19 DEBT SECURITIES *(cont'd)*

(d) Secured debt securities

(i) As at 31 December 2011, the secured notes and bonds were fully secured by mortgages on the investment properties of the Group amounting to $372.8 million. Details on assets pledged are disclosed in the respective notes to the financial statements.

(ii) A subsidiary of the Group, Australand, repaid its Commercial Mortgage-backed Securities amounting to A$267.5 million, equivalent to $339.6 million, on the scheduled maturity date of 10 March 2011. These notes were fully secured by a first ranking real property mortgage over specific investment properties.

(e) Unsecured debt securities

The holders of certain debt securities have the option to have all or any of their notes purchased by the Group at their principal amounts on interest payment dates. Unless previously redeemed or purchased and cancelled, the debt securities are redeemable at the principal amounts on their respective maturity dates.

20 FINANCE LEASES

There was no outstanding obligation under finance leases as at 31 December 2011 and 31 December 2010 following the sale of certain subsidiaries by the Group in 2010. At 1 January 2010, the Group had obligations under finance leases that were repayable as follows:

	Principal $'000	Interest $'000	Lease Payments $'000
1/1/2010			
Repayable:			
Not later than 1 year	3,836	738	4,574
Between 1 and 5 years	17,199	2,085	19,284
After 5 years	16,546	681	17,227
After 1 year	33,745	2,766	36,511
	37,581	3,504	41,085

21 OTHER NON-CURRENT LIABILITIES

		The Group		The Company	
	Note	31/12/2011 $'000	31/12/2010 $'000	31/12/2011 $'000	31/12/2010 $'000
Amounts owing to non-controlling interests (unsecured)					
– interest free		61,549	112,378	–	–
– interest bearing		142,269	157,919	–	–
Amounts owing to an associate (unsecured and interest bearing)		129,349	–	–	–
Liability for employee benefits	22	36,066	39,941	27,815	32,373
Derivative liabilities		77,347	6,767	–	–
Provisions	(a)	39,615	175,322	–	–
Customer deposits and other non-current payables	(b)	63,535	47,929	–	–
Deferred income		400	431	–	–
		550,130	540,687	27,815	32,373

Notes to the Financial Statements

21 OTHER NON-CURRENT LIABILITIES *(cont'd)*

(a) The provisions relate to the Group's exposure to unavoidable costs of meeting its obligation under contractual agreements. Movements in the provisions are as follows:

	Note	The Group 2011 $'000	The Group 2010 $'000
At 1 January		182,499	163,691
Provision during the year	27(c)(iii)	–	25,848
Provision written back during the year	27(a)	(2,700)	–
Provision utilised		(2,950)	(7,040)
Set off against available-for-sale equity security	(i)	(124,165)	–
Translation differences		5,527	–
At 31 December		58,211	182,499
Current	16	18,596	7,177
Non-current		39,615	175,322
		58,211	182,499

(i) During the financial year, provisions amounting to $124.2 million were set off against the carrying amount of an unquoted available-for-sale equity investment (note 10(a)).

(b) The other non-current payables include an amount of approximately $35.2 million (31/12/2010: $30.5 million), owing to land vendors on terms similar to those described in note 16(b).

22 EMPLOYEE BENEFITS

	Note	The Group 31/12/2011 $'000	The Group 31/12/2010 $'000	The Company 31/12/2011 $'000	The Company 31/12/2010 $'000
Liability for short term accumulating compensated absences		5,027	5,594	910	722
Liability for long service leave entitlement		6,334	5,359	–	–
Liability for cash-settled share-based payments		5,823	9,682	512	807
Liability for staff incentive		57,526	59,848	46,614	53,771
		74,710	80,483	48,036	55,300
Current	16	38,644	40,542	20,221	22,927
Non-current	21	36,066	39,941	27,815	32,373
		74,710	80,483	48,036	55,300

(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.

22 EMPLOYEE BENEFITS *(cont'd)*

(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.

(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. 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 details of options and awards in the Company since commencement of the Share Plans were as follows:

	<------------------- Aggregate Options/Shares ----------------> Granted No. of shares	Exercised/ Released No. of shares	Lapsed/ Cancelled No. of shares	Balance as of 31 December 2011 No. of shares
CapitaLand Share Option Plan	159,442,307	(114,777,799)	(35,664,264)	9,000,244
CapitaLand Performance Share Plan 2000	34,594,651	(17,393,355)	(11,071,742)	6,129,554
CapitaLand Restricted Stock Plan 2000	33,689,553	(20,560,517)	(6,316,863)	6,812,173
Total	227,726,511	(152,731,671)	(53,052,869)	21,941,971
CapitaLand Performance Share Plan 2010	3,324,300	–	(184,800)	3,139,500
CapitaLand Restricted Share Plan 2010	6,676,870	–	(426,465)	6,250,405
Total	10,001,170	–	(611,265)	9,389,905

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% 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.

(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.

22 EMPLOYEE BENEFITS *(cont'd)*

(c) Equity compensation benefits *(cont'd)*

CapitaLand Share Option Plan *(cont'd)*

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

	Weighted average exercise price 2011 $	No. of options 2011 ('000)	Weighted average exercise price 2010 $	No. of options 2010 ('000)
At 1 January	2.71	10,400	2.78	18,707
Lapsed/Cancelled	3.02	(280)	2.87	(259)
Exercised	2.50	(1,120)	2.75	(8,048)
At 31 December	2.72	9,000	2.71	10,400
Exercisable on 31 December	2.72	9,000	2.71	10,400

Options exercised in 2011 resulted in 1,120,367 (31/12/2010: 8,048,400) shares being issued at a weighted average market price of $3.34 (31/12/2010: $3.93) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $2.94 (31/12/2010: $3.88).

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

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

Range of Exercise Price	Options outstanding 31/12/2011 ('000)	Weighted average contractual life (years)	Options outstanding 31/12/2010 ('000)	Weighted average contractual life (years)
$0.30 to $0.44	227	1.18	247	2.18
$0.45 to $0.50	615	2.00	678	3.00
$0.51 to $1.09	39	2.66	43	3.66
$1.10 to $1.43	–	–	97	0.46
$1.44 to $2.16	1,632	3.18	1,923	4.18
$2.17 to $4.10	6,487	4.21	7,412	5.01
	9,000		10,400	

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.

The number of shares outstanding under the CapitaLand Performance Share Plan at the end of the year is summarised below:

	2011 ('000)	2010 ('000)
At 1 January	9,219	9,464
Granted	3,324	3,227
Lapsed/Cancelled	(3,274)	(3,499)
Additional shares granted arising from modification	–	363
Released	–	(336)
At 31 December	9,269	9,219

22 EMPLOYEE BENEFITS *(cont'd)*

(c) Equity compensation benefits *(cont'd)*

CapitaLand Performance Share Plan *(cont'd)*

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 delivered up to a maximum of 200% of the baseline award.

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

Year of Award	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$2.52	$2.92
Expected volatility based on 36 months closing share price prior to grant date	34.61%	32.69%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	28.76%	23.77%
Share price at grant date	$3.33	$3.89
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.44%	0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.67%	1.57%
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	71.47%	67.74%

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.

The ERCC of the Company has instituted a set of share ownership guidelines for senior management who receives shares under the CapitaLand Restricted Stock/Share Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CapitaLand shares acquired through the CapitaLand Restricted Stock/Share Plan which will vary according to their job grades and base salaries.

The number of shares outstanding under the CapitaLand Restricted Stock/Share Plan at the end of the year is summarised below:

	2011 ('000)	2010 ('000)
At 1 January	13,491	13,621
Granted	7,422	8,597
Lapsed/Cancelled	(1,101)	(1,803)
Additional shares granted arising from modification	–	254
Released@	(6,749)	(7,178)
At 31 December	13,063	13,491

@ *The number of shares released during the year was 6,748,830 (31/12/2010: 7,177,767), of which 922,162 (31/12/2010: 1,063,145) were cash-settled.*

22 EMPLOYEE BENEFITS *(cont'd)*

(c) Equity compensation benefits *(cont'd)*

***CapitaLand Restricted Stock/Share Plan – Equity-settled/Cash-settled** (cont'd)*

As at 31 December 2011, the number of shares comprised in awards granted under the CapitaLand Restricted Stock/Share Plan is as follows:

	31/12/2011		31/12/2010	
	Equity-settled ('000)	Cash-settled ('000)	Equity-settled ('000)	Cash-settled ('000)
Final number of shares has not been determined (baseline award)#	5,506	744	5,079	664
Final number of shares determined but not released	5,939	874	6,594	1,154
	11,445	1,618	11,673	1,818

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. The awards granted to non-executive directors in 2010 are time-based with no performance conditions and will be released over a vesting period of two years. 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 are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$3.05	$3.78
Expected volatility based on 36 months closing share price prior to grant date	34.61%	32.69%
Share price at grant date	$3.14	$3.89
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.32% to 0.45%	0.38% to 0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.66%	1.57%

22 EMPLOYEE BENEFITS *(cont'd)*

(c) Equity compensation benefits *(cont'd)*

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.

The number of shares outstanding under the CMA Performance Share Plan at the end of the year is summarised below:

	2011 ('000)	2010 ('000)
At 1 January	872	–
Granted	1,326	872
Lapsed/Cancelled	(40)	–
At 31 December	2,158	872

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

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

Year of Award	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$1.19	$1.88
Expected volatility based on average of peers' 36 months closing share price prior to grant date	25.70%	36.38%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	26.92%	26.06%
Share price at grant date	$1.77	$2.34
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.44%	0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.15%	0.71%
Correlation of return between MSCI Asia Pacific ex-Japan Real Estate Index and CMA's share price measured over 36 months prior to the grant date	69.36%	68.21%

22 EMPLOYEE BENEFITS *(cont'd)*

(c) Equity compensation benefits *(cont'd)*

Share Plans of Subsidiaries *(cont'd)*

(a) CapitaMalls Asia Limited ("CMA") *(cont'd)*

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.

The number of shares outstanding under the CMA Restricted Stock Plan at the end of the year is summarised below:

	2011 ('000)	2010 ('000)
At 1 January	4,117	–
Granted	6,036	4,634
Lapsed/Cancelled	(646)	(517)
Released@	(1,520)	–
At 31 December	7,987	4,117

@ *The number of shares released during the year was 1,520,317 (31/12/2010: Nil), of which 438,490 (31/12/2010: Nil) were cash-settled.*

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

	31/12/2011		31/12/2010	
	Equity-settled ('000)	Cash-settled ('000)	Equity-settled ('000)	Cash-settled ('000)
Final number of shares has not been determined (baseline award)#	3,672	1,536	2,907	1,210
Final number of shares determined but not released	1,988	791	–	–
	5,660	2,327	2,907	1,210

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.

CMA has instituted a set of share ownership guidelines for senior management who receive shares under the CMA Restricted Stock Plan. Under these guidelines, members of the senior management team are required to retain a portion of the total number of CMA shares acquired through the CMA Restricted Stock Plan which will vary according to their job grades and base salaries. The awards to non-executive directors in 2010 are time-based with no performance conditions and will be released over a vesting period of two years. 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.

22 EMPLOYEE BENEFITS *(cont'd)*

(c) Equity compensation benefits *(cont'd)*

Share Plans of Subsidiaries *(cont'd)*

(a) CapitaMalls Asia Limited ("CMA") *(cont'd)*

CMA Restricted Stock Plan – Equity-settled/Cash-settled *(cont'd)*

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	2011	2010
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$1.69	$2.30
Expected volatility based on average of peers' 36 months closing share price prior to grant date	25.70%	36.38%
Share price at grant date	$1.72	$2.34
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.32% to 0.45%	0.38% to 0.67%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	1.14%	0.71%

(b) Australand

Australand Performance Rights Plan

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

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

	2011 ('000)	2010 ('000)
At 1 January	3,913	2,725
Granted	1,857	1,940
Lapsed/Forfeited	(759)	(752)
At 31 December	5,011	3,913

22 EMPLOYEE BENEFITS *(cont'd)*

(c) Equity compensation benefits *(cont'd)*

Share Plans of Subsidiaries *(cont'd)*

(b) Australand *(cont'd)*

Australand Performance Rights Plan *(cont'd)*

The fair value at grant date is independently determined using the Monte Carlo Simulation technique. This technique involves stock prices being randomly simulated under risk neutral conditions and parameters in order to calculate the value of the performance rights at expiry. The simulation is repeated numerous times to produce distribution payoff amounts. The performance rights value is taken as the average of the payoff amounts calculated and discounted back to the valuation date. The fair value and assumptions are set out below:

Year of Award	2011	2010
Fair value of performance rights and assumptions		
Weighted average value at measurement date	A$2.48	A$1.79
Share price at grant date	A$2.87	A$2.75
Expected price volatility of Australand's stapled securities	35.0%	40.0%
Expected dividend yield	8.0%	8.0%
Risk-free discount rate	4.7%	4.6%
Expected franking rate	0%	0%
Australand and index correlation	50.0%	61.0%

Australand Tax Exempt Employee Security Plan

The Australand Tax Exempt Employee Security Plan in which tax exempt stapled securities may be issued by the company to employees for no cash consideration was approved by Australand shareholders at the 2007 AGM. All Australian resident permanent (full-time and part-time) employees (excluding directors and participants in the Australand Performance Rights Plan) who have been continuously employed by Australand for a period of at least nine months as at the invitation date and are still employees as at the acquisition date (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 is traded on the Australian Stock Exchange during the week up to and including the acquisition date (rounded down to the nearest whole number of stapled securities).

During the year, 108,016 (2010: 110,410) securities were issued under the Australand Tax Exempt Employee Security Plan year at the weighted average market price of A$2.90 (2010: A$2.76) per security.

Australand Employee Securities Ownership Plan

During the financial year, there were 9,400 securities being issued by virtue of the exercise of options at an exercise price of A$1.10 per security (2010: 144,250 securities at an exercise price of A$0.22 per security).

All outstanding awards under the Australand Option Scheme and the Australand Employees Securities Ownership Plan were exercised or lapsed in 2011. There are no further awards under those schemes and both the plans have been closed.

23 SHARE CAPITAL

	The Company	
Issued and fully paid, with no par value	**2011 No. of shares ('000)**	**2010 No. of shares ('000)**
At 1 January	4,262,492	4,247,993
Issue of shares pursuant to the:		
– Exercise of options	1,120	8,048
– Performance Share and Restricted Stock Plans	5,827	6,451
At 31 December, including treasury shares	4,269,439	4,262,492
Less: Treasury shares	(25,209)	–
At 31 December, excluding treasury shares	4,244,230	4,262,492

(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 regards to the Company's residual assets.

(b) At 31 December 2011, there were 9,000,244 (31/12/2010: 10,400,345) options under the CapitaLand Share Option Plan, a maximum of 18,538,108 (31/12/2010: 18,438,960) shares under the CapitaLand Performance Share Plan and 14,197,716 (31/12/2010: 14,219,986) shares under the CapitaLand Restricted Stock/Share Plan, details of which are disclosed in note 22(c).

(c) As at December 2011, the convertible bonds issued by the Company which remained outstanding are as follows:

Principal Amount $ million	Final Maturity Date Year	Conversion Price $	Convertible Into
424.75	2016	6.01	70,673,876 new ordinary shares
1,000.00	2022	11.5218	86,791,994 new ordinary shares
1,050.00	2018	7.1468	146,918,900 new ordinary shares
1,200.00	2016	4.7247	253,984,379 new ordinary shares

There has been no redemption or conversion by the bondholders of any of the above convertible bonds in 2011 and 2010.

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	
	31/12/2011 $'000	**31/12/2010 $'000 Restated**
Bank borrowings and debt securities	12,190,639	10,358,043
Cash and cash equivalents	(6,264,473)	(7,190,064)
Net debt	5,926,166	3,167,979
Total equity	19,239,471	17,865,204
Net debt equity ratio	0.31	0.18

Notes to the Financial Statements

23 SHARE CAPITAL *(cont'd)*

Capital Management *(cont'd)*

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.

Six of the Group's subsidiaries (31/12/2010: Six) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered under the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust management. These subsidiaries have complied with the applicable capital requirements throughout the year.

There were no changes in the Group's approach to capital management during the year.

24 OTHER RESERVES

	The Group			The Company	
	31/12/2011 $'000	31/12/2010 $'000 Restated	1/1/2010 $'000 Restated	31/12/2011 $'000	31/12/2010 $'000
Reserve for own shares	(63,456)	–	–	(63,456)	–
Capital reserve	445,666	453,116	435,483	383,490	383,490
Equity compensation reserve	109,815	101,033	94,224	39,980	37,862
Hedging reserve	(45,531)	4,334	(37,682)	–	–
Available-for-sale reserve	5,723	49,451	29,722	–	–
Foreign currency translation reserve	(177,150)	(364,245)	(182,773)	–	–
	275,067	243,689	338,974	360,014	421,352

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 option granted to bondholders to convert their convertible bonds into ordinary shares of the Company and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the options and shares under the share plans of the Company and its subsidiaries (note 22(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 occurred.

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale investment until the investment is derecognised.

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

25 OTHER COMPREHENSIVE INCOME

The Group	2011 Before tax $'000	2011 Tax expense $'000	2011 Net of tax $'000	2010 Before tax $'000 Restated	2010 Tax expense $'000 Restated	2010 Net of tax $'000 Restated
Exchange differences arising from translation of foreign operations and foreign currency loans, forming part of net investment in foreign operations	138,012	–	138,012	(344,729)	–	(344,729)
Recognition of exchange differences to profit or loss	7,877	–	7,877	129,033	–	129,033
Change in fair value of available-for-sale investments	(2,987)	–	(2,987)	34,218	(1,470)	32,748
Recognition of fair value gain in available-for-sale reserve to profit or loss	(42,343)	1,482	(40,861)	(13,018)	–	(13,018)
Effective portion of change in fair value of cash flow hedges	(75,048)	–	(75,048)	24,448	(3,647)	20,801
Recognition of fair value losses in hedging reserve to profit or loss	–	–	–	12,873	–	12,873
Share of other comprehensive income of associates and joint ventures	87,637	–	87,637	15,756	–	15,756
Recognition of share of other comprehensive income of associates and joint ventures to profit or loss	14,175	–	14,175	6	–	6
	127,323	1,482	128,805	(141,413)	(5,117)	(146,530)

26 REVENUE

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

	The Group		The Company	
	2011 $'000	2010 $'000 Restated	2011 $'000	2010 $'000
Trading of properties	1,860,909	2,200,195	–	–
Rental and related income	397,273	432,197	–	–
Fee income	454,669	421,866	66,107	66,061
Serviced residence rental and related income	293,236	318,234	–	–
Dividend income from subsidiaries	–	–	433,435	220,504
Others	13,482	10,900	–	–
	3,019,569	3,383,392	499,542	286,565

Notes to the Financial Statements

27 PROFIT BEFORE TAXATION

Profit before taxation includes the following:

	Note	The Group 2011 $'000	The Group 2010 $'000 Restated	The Company 2011 $'000	The Company 2010 $'000
(a) Other operating income					
Interest income from:					
– fixed deposits		35,491	30,530	127	925
– subsidiaries		–	–	88,773	106,609
– associates and joint ventures		31,389	43,353	–	–
– investee companies and others		14,551	9,403	–	2
– interest capitalised in development properties for sale	11(e)	(474)	(259)	–	–
		80,957	83,027	88,900	107,536
Dividend income		1,428	3,612	–	–
Net fair value gain on derivative instruments		–	19,652	–	–
Net fair value gains from investment properties	5	285,032	394,585	–	–
Gain on disposal/redemption of available-for-sale financial assets		21,390	12,976	–	–
Gain from change of ownership interest in subsidiaries, associates and joint ventures		218,258	240,809#	57,963	90,039
Foreign exchange gain		–	–	7	5,779
Gain on disposal of investment properties		19,411	13,845	–	–
Gain on disposal of property, plant and equipment		969	12,077	72	12
Gain from bargain purchase arising from an increased stake in subsidiaries		26	11,580	–	–
Write back of provision for foreseeable losses	21(a)	2,700	–	–	–
Write back of doubtful receivables		–	–	–	53,596
Write back of impairment of subsidiaries		–	–	–	49,432
Write back of impairment of joint ventures	8(a)(i)	–	9,413	–	–
Others		83,533	90,373	13,683	14,185
		713,704	891,949	160,625	320,579

Includes re-measurement gain attributable to recognising investment retained in former subsidiaries at their respective fair values of $88.1 million.

27 PROFIT BEFORE TAXATION *(cont'd)*

	Note	The Group 2011 $'000	The Group 2010 $'000	The Company 2011 $'000	The Company 2010 $'000
(b) Staff costs					
Wages and salaries		437,041	385,598	39,433	29,953
Contributions to defined contribution plans		46,262	41,669	2,398	1,892
Share-based expenses					
– equity-settled		31,766	34,298	6,932	7,786
– cash-settled		2,577	4,830	166	533
Increase in liability for short term accumulating compensated absences		1,350	1,485	188	511
Staff benefits, training/development costs and others		73,253	63,222	3,835	3,257
		592,249	531,102	52,952	43,932
Less:					
Staff costs capitalised in development properties for sale	11(e)	(61,404)	(52,119)	–	–
		530,845	478,983	52,952	43,932
Recognised in:					
Cost of sales	(c)(i)	233,479	213,446	–	–
Administrative expenses	(c)(ii)	297,366	265,537	52,952	43,932
		530,845	478,983	52,952	43,932
(c)(i) Cost of sales include:					
Staff costs	(b)	233,479	213,446	–	–
Write down/Provision for foreseeable losses on development properties for sale		39,155	5,000	–	–
Operating lease expenses		88,191	51,419	–	–
Operating expenses arising from investment properties that generated rental income		94,962	105,863	–	–
Depreciation of property, plant and equipment	3	19	–	–	–
Amortisation of intangible assets		242	484	–	–

Notes to the Financial Statements

27 PROFIT BEFORE TAXATION *(cont'd)*

	Note	The Group 2011 $'000	The Group 2010 $'000	The Company 2011 $'000	The Company 2010 $'000
(c)(ii) Administrative expenses include:					
Staff costs	(b)	297,366	265,537	52,952	43,932
(Write back of)/Allowance for doubtful receivables		(3,021)	5,281	–	–
Amortisation of intangible assets		1,359	1,143	–	–
Auditors' remuneration:					
– auditors of the Company		1,961	1,808	208	170
– other auditors		4,043	4,145	–	–
Non-audit fees:					
– auditors of the Company		1,097	159	2	10
– other auditors		282	738	–	–
Depreciation of property, plant and equipment	3	38,989	57,998	3,598	4,652
Operating lease expenses		36,672	36,793	4,732	4,573
(c)(iii) Other operating expenses include:					
Allowance for doubtful receivables		3,427	1,100	130,248	–
Impairment of available-for-sale financial assets		1,329	10,936	–	–
Foreign exchange loss		33,240	27,536	–	–
Impairment and write off of property, plant and equipment		729	23,891	5	94
Provision for foreseeable losses	21(a)	–	25,848	–	–
Fidelity losses arising from financial irregularities		–	14,000	–	–
Impairment of:					
– subsidiaries	6(a)(iii)	–	–	16,931	–
– associates	7(a)(i)	3,437	4,000	–	–

27 PROFIT BEFORE TAXATION *(cont'd)*

	Note	The Group 2011 $'000	The Group 2010 $'000	The Company 2011 $'000	The Company 2010 $'000
(d) Finance costs					
Interest costs paid and payable:					
– to subsidiaries		–	–	–	4,081
– on bank loans and overdrafts		240,385	212,240	–	–
– on debt securities		82,803	81,215	–	–
– to non-controlling interests		5,423	5,610	–	–
Convertible bonds:					
– interest expense		105,673	105,732	105,673	105,732
– amortisation of bond discount		63,584	63,584	63,584	63,584
– accretion of bond premium		10,479	10,498	10,479	10,498
Derivative financial instruments		29,957	1,759	–	–
Others		61,769	59,936	1,311	–
Total borrowing costs		600,073	540,574	181,047	183,895
Less:					
Borrowing costs capitalised in:					
– property, plant and equipment	3(c)	(3,093)	(4,167)	–	–
– investment properties	5(d)	(23,470)	(4,903)	–	–
– development properties for sale	11(e)	(100,725)	(83,321)	–	–
		(127,288)	(92,391)	–	–
		472,785	448,183	181,047	183,895

28 TAXATION

	The Group 2011 $'000	The Group 2010 $'000 Restated	The Company 2011 $'000	The Company 2010 $'000
Current tax expense				
– Based on current year's results	167,520	273,210	–	–
– (Over)/Under provision in respect of prior years	(19,252)	(51,310)	–	424
– Group relief	(4,703)	(1,745)	(778)	–
	143,565	220,155	(778)	424
Deferred tax expense				
– Origination and reversal of temporary differences	47,652	65,065	(10,558)	(8,484)
– Over provision in respect of prior years	(333)	(1,120)	–	–
	47,319	63,945	(10,558)	(8,484)
Total	190,884	284,100	(11,336)	(8,060)

Notes to the Financial Statements

28 TAXATION *(cont'd)*

Reconciliation of effective tax rate

	The Group 2011 $'000	The Group 2010 $'000 Restated
Profit before taxation	1,613,804	2,136,299
Less: Share of results of associates and joint ventures	(876,646)	(959,795)
Profit before share of results of associates, joint ventures and taxation	737,158	1,176,504
Income tax using Singapore tax rate of 17% (2010: 17%)	125,317	200,006
Adjustments:		
Expenses not deductible for tax purposes	110,295	136,545
Income not subject to tax	(133,473)	(148,242)
Effect of unrecognised tax losses and other deductible temporary differences	7,531	13,477
Effect of different tax rates in foreign jurisdictions	57,520	72,186
Effect of taxable distributions from associates	34,881	29,866
Over provision in respect of prior years	(19,585)	(52,430)
Group relief	(4,703)	(1,745)
Withholding taxes	11,083	18,859
Others	2,018	15,578
	190,884	284,100

	The Company 2011 $'000	The Company 2010 $'000
Profit before taxation	239,885	343,910
Income tax using Singapore tax rate of 17% (2010: 17%)	40,780	58,465
Adjustments:		
Expenses not deductible for tax purposes	33,051	6,185
Income not subject to tax	(83,550)	(72,496)
Effect of other deductible temporary differences	(1,373)	(460)
Under provision in respect of prior years	–	424
Group relief	(778)	–
Others	534	(178)
	(11,336)	(8,060)

29 EARNINGS PER SHARE

(a) Basic earnings per share

	The Group 2011 $'000	The Group 2010 $'000 Restated
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	1,057,311	1,425,678

	2011 Number of shares ('000)	2010 Number of shares ('000)
Weighted average number of ordinary shares in issue during the year	4,261,359	4,258,925

(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 2011 $'000	The Group 2010 $'000 Restated
Net profit attributable to owners of the Company	1,057,311	1,425,678
Profit impact of conversion of the potential dilutive shares	78,097	77,354
Adjusted net profit attributable to owners of the Company	1,135,408	1,503,032

	2011 Number of shares ('000)	2010 Number of shares ('000)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	4,261,359	4,258,925
Adjustments for potential dilutive shares under:		
– CapitaLand Share Option Plan	1,408	3,191
– CapitaLand Performance Share Plan	18,538	18,439
– CapitaLand Restricted Stock/Share Plan	14,198	14,285
– convertible bonds	324,596	324,508
	358,740	360,423
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	4,620,099	4,619,348

30 DIVIDENDS

The Board of Directors of the Company has proposed an ordinary dividend of 6.0 cents per share and a special dividend of 2.0 cents per share in respect of the financial year ended 31 December 2011. This would amount to a payout of approximately $339.5 million based on the number of issued shares (excluding 25,209,000 treasury shares) as at 31 December 2011. The dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2010, an ordinary dividend of 6.0 cents per share was approved at the Annual General Meeting held on 25 April 2011. The said dividends of $256.2 million were paid in May 2011.

Notes to the Financial Statements

31 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
Abbey Road Limited	February 2011	45%
SNC Costes K	June 2011	100%

The list of significant subsidiaries acquired in 2010 is as follows:

Name of Subsidiary	Date Acquired	Effective Interest Acquired
CCH Developments Limited (formerly known as Orient Overseas Developments Limited)	February 2010	100%
Growing State Holdings Limited	March 2010	65.5%
Hemliner Pte Ltd	October 2010	100%

(b) Effects of acquisitions

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

The Group	Note	Recognised Values 2011 $'000	Recognised Values 2010 $'000
Property, plant and equipment		218,835	381,179
Investment properties	5	428,255	1,263,170
Deferred tax assets		–	25,489
Other non-current assets		835	19,083
Development properties for sale		10,682	2,344,857
Cash and cash equivalents		84,381	438,478
Other current assets		10,792	20,539
Current liabilities		(23,615)	(195,107)
Long-term bank borrowings		–	(158,811)
Shareholder's loan		(33,666)	(1,466,912)
Deferred tax liabilities		–	(603,421)
Other non-current liabilities		(789)	–
Non-controlling interests		(146,805)	(60,116)
		548,905	2,008,428
Amounts previously accounted for as associates, joint ventures and other financial assets		(33,582)	(5,370)
Net assets acquired		515,323	2,003,058
Gain from bargain purchase		(26)	(11,580)
Assumption of shareholder's loan		33,666	1,466,912
Total purchase consideration		548,963	3,458,390
Less:			
Deferred payment and other adjustments		(16,623)	15,043
Deposits paid in prior year		(28,941)	–
Cash of subsidiaries acquired		(84,381)	(438,478)
Cash outflow on acquisition of subsidiaries		419,018	3,034,955

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(cont'd)*

(c) Disposals of subsidiaries

The list of significant subsidiaries disposed during the year is as follows:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
BR Properties Pte Ltd	May 2011	100%
Hemliner Pte Ltd*	July 2011	100%
Shanghai CapitaLand Xin Chuang Real Estate Development Co., Ltd.	December 2011	100%

* *This subsidiary was sold to Ascott Serviced Residence (China) Fund in which the Group has an effective interest of 36.1% as at end-2011.*

The disposed subsidiaries previously contributed net profit of $6.5 million from 1 January 2011 to the date of disposal.

The list of significant subsidiaries disposed in 2010 is as follows:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
The Ascott Group Europe NV*	October 2010	100%
Citadines Holborn CI Limited*	October 2010	100%
Senning Property Ltd	December 2010	61.2%

* *These subsidiaries were sold to Ascott Residence Trust in which the Group has an effective interest of 47.8% as at end-2010.*

The disposed subsidiaries previously contributed net profit of $3.1 million from 1 January 2010 to the date of disposal.

(d) Effects of disposals

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

	Note	The Group 2011 $'000	2010 $'000
Property, plant and equipment		232,446	867,558
Investment properties	5	239,052	1,052,291
Deferred tax assets		–	12,077
Other non-current assets		–	65,067
Development properties for sale		71,683	124,649
Other current assets		56,157	78,458
Current liabilities		(151,009)	(449,246)
Long-term bank borrowings		(109,591)	(395,166)
Deferred tax liabilities		(11,568)	(209,953)
Non-controlling interests		(2,800)	(62,268)
Net assets		324,370	1,083,467
Less:			
Equity interests retained as associates		–	(321,027)
Net assets disposed		324,370	762,440
Realisation of reserves		4,864	109,834
Deferred income		20,410	64,896
Gain on disposal of subsidiaries		195,433	210,156
Sale consideration		545,077	1,147,326
Repayment of shareholders' loan		234,748	24,080
Deferred payment		–	(424,210)
Deferred sale consideration received in relation to prior year's disposal of subsidiaries		417,476	909
Cash of subsidiaries disposed		(54,926)	(55,897)
Cash inflow on disposal of subsidiaries		1,142,375	692,208

32 BUSINESS COMBINATIONS

There was no significant business combination undertaken by the Group in 2011. In 2010, the Group had the following business combinations:

(a) Acquisition of Orient Overseas Developments Limited (now known as CCH Developments Limited)

On 10 February 2010, the Group acquired 100% of voting equity interest of CCH Developments Limited ("CCHDL"). CCHDL is a property investment holding company and through its subsidiaries, conducts property development and investment with a primary focus on opportunities in the Greater Shanghai area and Tianjin, China. Its projects include residential, commercial, retail and hotel properties.

The acquisition allowed the Group to further strengthen its presence in China.

CCHDL contributed revenue of $129.5 million and net profit of $127.3 million to the Group's results for the period from 10 February 2010 to 31 December 2010.

If the acquisition had occurred on 1 January 2010, management estimates that the contribution from CCHDL in terms of revenue and profit for the year ended 31 December 2010 would have been $130.2 million and $125.0 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 2010.

32 BUSINESS COMBINATIONS *(cont'd)*

(a) Acquisition of Orient Overseas Developments Limited (now known as CCH Developments Limited) *(cont'd)*

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

The consideration transferred for the acquisition was $3,110.9 million, which included the assignment of and transfer of a shareholder's loan due from CCHDL to its previous shareholder. It 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.

No goodwill was recognised as the fair value of the identifiable net assets of the acquired group was equivalent to the purchase consideration transferred.

(ii) Effects of cash flows of the Group

	2010 $'000
Cash consideration paid	1,643,986
Assumption of shareholder's loan	1,466,912
Total purchase consideration	3,110,898
Less: Cash and cash equivalents in subsidiaries acquired	(356,242)
Net cash outflow on acquisition	2,754,656

(iii) Identifiable assets acquired and liabilities assumed

	2010 $'000
Property, plant and equipment	88,974
Investment properties under development	1,098,791
Deferred tax assets	25,490
Other non-current assets	13,863
Development properties for sale	2,344,857
Other current assets	11,935
Cash	356,242
Current liabilities	(49,787)
Interest bearing loans	(123,829)
Shareholder's loan	(1,466,912)
Deferred tax liabilities	(600,429)
Total identifiable net assets	1,699,195
Add: Assumption of shareholder's loan	1,466,912
Less: Non–controlling interest at proportionate share of the recognised amount of the identified net assets, at acquisition date	(55,209)
Total purchase consideration	3,110,898

32 BUSINESS COMBINATIONS *(cont'd)*

(a) Acquisition of Orient Overseas Developments Limited *(cont'd)*

(iv) Acquisition-related costs

Acquisition-related costs of $4.2 million related to stamp duties, legal and due diligence fees were included in administrative expenses in the consolidated income statement, and in the operating cash flows in the consolidated statement of cash flows.

(v) Acquired receivables

Loan and other receivables mainly comprised other receivables. The carrying amount and gross contractual amount of other receivables was $11.6 million. The carrying amount of other receivables approximated its fair value as the contractual maturity period was within twelve months from the acquisition date. None of the amounts was expected to be uncollectible.

(b) Acquisition of Storhub

On 31 July 2010, a wholly-owned subsidiary, CapitaLand Commercial Limited ("CCL"), together with Hersing Corporation Ltd, formed a group of companies to acquire four Storhub properties to provide self storage facilities. CCL has a 62% interest while Hersing has a 38% interest in these companies.

Four properties, together with the management business and management assets were acquired for $63.4 million.

Acquisition-related costs of $0.9 million relating to external legal fees and due diligence cost were included in administrative expenses in the consolidated income statement, and in operating cash flows in the consolidated statement of cash flows.

From the date of acquisition to 31 December 2010, the Storhub group of companies contributed revenue of $4.2 million and net profit after tax of $1.6 million to the Group.

(c) Acquisition of non-controlling interests in Eurimeg SA

On 3 August 2010, Oriville SAS, an indirect wholly-owned subsidiary, acquired an additional 39.24% interest in Eurimeg SA for $24.8 million, increasing its ownership from 60.76% to 100%.

The carrying amount of Eurimeg SA's net assets in the Group's financial statements on the date of acquisition was $59.1 million.

From the date of the acquisition to 31 December 2010, the revenue and net profit after tax contributed by the additional interest acquired were not significant.

33 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.

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products comprise fixed deposits or short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps and caps to minimise its exposure to interest rate volatility. The Group classifies these interest rate swaps and caps as cash flow hedges. In addition, the Group also uses other derivative instruments such as callable swaps to manage the cost of funding.

The fair value loss of swaps as at 31 December 2011 was $111.7 million (2010: $5.2 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 $37.8 million (2010: $28.8 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, Euros, Hong Kong Dollars, Japanese Yen, Sterling Pounds and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group uses forward exchange contracts to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between 3 months and 1 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 gain of the forward exchange and cross currency swaps contracts as at 31 December 2011 was $7.9 million (2010: $8.0 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(b) Market risk *(cont'd)*

(ii) Foreign currency risk (cont'd)

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's exposure to foreign currencies as at 31 December 2011 and 31 December 2010 are 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
31/12/2011									
Other financial assets	4,344	–	–	3,205	321,331	–	–	–	328,880
Trade and other receivables	97,627	272,728	217,583	42,344	67,502	36,514	7,998	159,057	901,353
Cash and cash equivalents	273,863	144,473	1,232,612	8,186	18,917	15,150	62,307	43,442	1,798,950
Borrowings	(453,519)	(2,643,580)	(387,139)	(212,635)	(562,176)	(67,721)	(88,556)	(118,478)	(4,533,804)
Trade and other payables	(202,556)	(300,086)	(574,765)	(17,160)	(16,897)	(44,242)	(27,104)	(54,431)	(1,237,241)
Gross currency exposure	(280,241)	(2,526,465)	488,291	(176,060)	(171,323)	(60,299)	(45,355)	29,590	(2,741,862)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	44,034	2,564,899	(289,809)	146,913	43,124	61,723	84,518	(34,463)	2,620,939
Cross currency swaps/ foreign exchange forward contracts	174,306	(5,463)	–	–	(53,914)	–	–	–	114,929
Less: Available-for-sale financial assets	(4,344)	–	–	(3,205)	(2,465)	–	–	–	(10,014)
Net currency exposure	(66,245)	32,971	198,482	(32,352)	(184,578)	1,424	39,163	(4,873)	(16,008)
31/12/2010 (Restated)									
Other financial assets	22,089	–	–	27,093	148,578	30	–	–	197,790
Trade and other receivables	606,316	298,860	167,475	15,412	70,518	30,725	42,935	65,592	1,297,833
Cash and cash equivalents	680,484	76,291	666,390	3,867	24,769	18,705	235,314	33,834	1,739,654
Borrowings	(756,830)	(2,452,043)	(465,498)	(230,707)	(258,128)	–	(8,835)	(126,233)	(4,298,274)
Trade and other payables	(251,429)	(293,367)	(537,415)	(17,274)	(17,030)	(45,246)	(17,694)	(34,758)	(1,214,213)
Gross currency exposure	300,630	(2,370,259)	(169,048)	(201,609)	(31,293)	4,214	251,720	(61,565)	(2,277,210)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	216,184	2,374,620	131,080	229,622	218,907	(99)	(31,941)	93,120	3,231,493
Foreign exchange forward contracts	(47,596)	–	–	–	(50,803)	–	–	–	(98,399)
Less: Available-for-sale financial assets	(4,371)	–	–	(27,093)	(148,578)	–	–	–	(180,042)
Net currency exposure	464,847	4,361	(37,968)	920	(11,767)	4,115	219,779	31,555	675,842

Others include mainly Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(b) Market risk *(cont'd)*

(ii) Foreign currency risk (cont'd)

The Company	US Dollars $'000	Total Foreign Currencies $'000
2011		
Cash and cash equivalents	55	55
Trade and other receivables	4	4
Currency exposure	59	59
2010		
Cash and cash equivalents	40	40
Trade and other payables	36	36
Currency exposure	76	76

Sensitivity analysis

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore Dollar would decrease the Group's profit before tax by approximately $0.8 million (2010: increase by $33.8 million) and increase the Group's other components of equity by approximately $0.5 million (2010: $9.0 million) respectively. A five percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the 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 2011 and 31 December 2010.

(iii) Equity price risk

The Group has available-for-sale investments in equity securities and is exposed to price risk. The securities are listed in Japan.

Sensitivity analysis

If prices for equity securities listed in Japan change by 5% with all other variables including tax rate being held constant, the impact on available-for-sale reserve will be as follows:

The Group	31/12/2011 5% increase $'000	31/12/2011 5% decrease $'000	31/12/2010 5% increase $'000	31/12/2010 5% decrease $'000
Available-for-sale reserve	123	(123)	1,737	(1,737)

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade receivables, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables relate mainly to the Group's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria and are of high credit standing.

The principal risk to which the Group and the Company is exposed in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts it has issued. To mitigate the risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 35.

The Group has a diversified portfolio of businesses and as at balance sheet date, there were no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint ventures.

(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:

		<---- Contractual cash flows ----			
The Group	**Carrying amount $'000**	**Total $'000**	**Not later than 1 year $'000**	**Between 1 and 5 years $'000**	**After 5 years $'000**
31/12/2011					
Financial liabilities, at amortised cost					
Bank borrowings	6,531,801	7,649,276	665,250	6,866,220	117,806
Debt securities	5,658,838	7,104,747	570,780	2,821,646	3,712,321
Trade and other payables#	2,258,817	2,301,579	1,837,547	411,153	52,879
	14,449,456	17,055,602	3,073,577	10,099,019	3,883,006
Derivative financial liabilities, at fair value	135,522	60,265	40,151	20,153	(39)
	14,584,978	17,115,867	3,113,728	10,119,172	3,882,967

Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(d) Liquidity risk *(cont'd)*

		<---- Contractual cash flows ----			
The Group	**Carrying amount $'000**	**Total $'000**	**Not later than 1 year $'000**	**Between 1 and 5 years $'000**	**After 5 years $'000**
31/12/2010 (Restated)					
Financial liabilities, at amortised cost					
Bank borrowings	4,650,665	5,301,788	1,040,837	3,906,332	354,619
Debt securities	5,707,378	7,236,635	1,043,486	999,658	5,193,491
Trade and other payables#	1,851,754	1,873,672	1,577,773	293,176	2,723
	12,209,797	14,412,095	3,662,096	5,199,166	5,550,833
Derivative financial liabilities, at fair value	9,983	17,595	12,049	5,175	371
	12,219,780	14,429,690	3,674,145	5,204,341	5,551,204

		<---- Contractual cash flows ----			
The Company	**Carrying amount $'000**	**Total $'000**	**Not later than 1 year $'000**	**Between 1 and 5 years $'000**	**After 5 years $'000**
31/12/2011					
Financial liabilities, at amortised cost					
Debt securities	3,432,956	4,496,201	81,834	2,047,879	2,366,488
Trade and other payables#	50,613	50,613	50,613	–	–
	3,483,569	4,546,814	132,447	2,047,879	2,366,488
31/12/2010					
Financial liabilities, at amortised cost					
Debt securities	3,379,883	4,601,875	81,576	423,129	4,097,170
Trade and other payables#	172,440	172,440	172,440	–	–
	3,552,323	4,774,315	254,016	423,129	4,097,170

Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

Notes to the Financial Statements

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(d) Liquidity risk *(cont'd)*

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and affect the income statement:

The Group	Carrying amount $'000	Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
		<---- Contractual cash flows			---->
31/12/2011					
Interest rate swaps					
– (liabilities)/assets	(69,243)	(31,499)	(15,320)	(16,753)	574
Forward start interest rate swaps					
– liabilities	(9,772)	(3,453)	(813)	(2,105)	(535)
Forward exchange contracts					
– liabilities	(5,242)	(5,242)	(5,242)	–	–
	(84,257)	(40,194)	(21,375)	(18,858)	39
31/12/2010					
Interest rate swaps					
– liabilities	(10,441)	(19,031)	(10,311)	(7,846)	(874)
Forward start interest rate swaps					
– assets/(liabilities)	6,491	(484)	(3,218)	2,231	503
Forward exchange contracts					
– assets	291	291	291	–	–
	(3,659)	(19,224)	(13,238)	(5,615)	(371)

(e) Fair values

The following methods and assumptions are used to estimate the fair values of the following significant classes of financial instruments:

(i) Derivatives

The fair value of derivative financial instruments is based on their market prices or brokers' quotes.

(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 rate of interest 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 equivalent and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the balance sheet.

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(e) Fair values *(cont'd)*

(iv) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as at 31 December 2011. 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).

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31/12/2011				
Available-for-sale financial assets	2,465	195,000	322,258	519,723
Derivative financial assets	–	31,720	–	31,720
	2,465	226,720	322,258	551,443
Derivative financial liabilities	–	(135,522)	–	(135,522)
	2,465	91,198	322,258	415,921
31/12/2010				
Available-for-sale financial assets	34,741	195,000	141,144	370,885
Derivative financial assets	–	12,823	–	12,823
	34,741	207,823	141,144	383,708
Derivative financial liabilities	–	(9,983)	–	(9,983)
	34,741	197,840	141,144	373,725

The movements of financial assets classified under Level 3 are presented as follows:

	Note	The Group 2011 $'000	2010 $'000
Balance as at 1 January		141,144	112,201
Additions		298,088	12,471
Impairments recognised in income statement		(1,329)	(5,752)
Amount set off against provisions	21(a)(i)	(124,165)	–
Fair value gain recognised in available-for-sale financial assets		97	22,224
Disposal		(24,012)	–
Translations differences		32,435	–
Balance as at 31 December		322,258	141,144

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(e) Fair values *(cont'd)*

(v) Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

The Group	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
31/12/2011							
Trade and other receivables	12	–	1,701,523	–	–	1,701,523	1,701,523
Cash and cash equivalents	15	–	6,264,473	–	–	6,264,473	6,264,473
Other non-current assets		31,720	363,264	349,343	–	744,327	744,327
Other current assets	10(b)	–	–	195,000	–	195,000	195,000
		31,720	8,329,260	544,343	–	8,905,323	8,905,323
Trade and other payables#		–	–	–	2,258,817	2,258,817	2,258,817
Bank borrowings	18	–	–	–	6,531,801	6,531,801	6,531,801
Debt securities	19	–	–	–	5,658,838	5,658,838	5,608,008
Derivative financial liabilities		135,522	–	–	–	135,522	135,522
		135,522	–	–	14,449,456	14,584,978	14,534,148
31/12/2010 (Restated)							
Trade and other receivables	12	–	2,010,729	–	–	2,010,729	2,010,729
Cash and cash equivalents	15	–	7,190,064	–	–	7,190,064	7,190,064
Other non-current assets		4,814	100,897	202,494	–	308,205	308,205
Other current assets	10(b)	8,009	–	195,000	–	203,009	203,009
		12,823	9,301,690	397,494	–	9,712,007	9,712,007
Trade and other payables#		–	–	–	1,851,754	1,851,754	1,851,754
Bank borrowings	18	–	–	–	4,650,665	4,650,665	4,650,665
Debt securities	19	–	–	–	5,707,378	5,707,378	6,006,225
Derivative financial liabilities		9,983	–	–	–	9,983	9,983
		9,983	–	–	12,209,797	12,219,780	12,518,627

Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

33 FINANCIAL RISK MANAGEMENT *(cont'd)*

(e) Fair values *(cont'd)*

(v) Accounting classifications and fair values (cont'd)

The Company	Note	Loans and receivables $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
31/12/2011					
Trade and other receivables	12	2,588,723	–	2,588,723	2,588,723
Cash and cash equivalents	15	326,539	–	326,539	326,539
		2,915,262	–	2,915,262	2,915,262
Trade and other payables#		–	50,613	50,613	50,613
Debt securities	19	–	3,432,956	3,432,956	3,498,891
		–	3,483,569	3,483,569	3,549,504
31/12/2010					
Trade and other receivables	12	1,163,355	–	1,163,355	1,163,355
Cash and cash equivalents	15	53,954	–	53,954	53,954
		1,217,309	–	1,217,309	1,217,309
Trade and other payables#		–	172,440	172,440	172,440
Debt securities	19	–	3,379,883	3,379,883	3,674,251
		–	3,552,323	3,552,323	3,846,691

Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

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 twenty 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	
	31/12/2011 $'000	31/12/2010 $'000	31/12/2011 $'000	31/12/2010 $'000
Lease payments payable:				
Not later than 1 year	114,475	108,090	3,151	4,850
Between 1 and 5 years	280,770	303,705	1,353	2,967
After 5 years	94,490	148,819	33	133
	489,735	560,614	4,537	7,950

34 COMMITMENTS *(cont'd)*

(b) Commitments

	The Group		The Company	
	31/12/2011 $'000	31/12/2010 $'000	31/12/2011 $'000	31/12/2010 $'000
Commitments in respect of:				
– capital expenditure contracted but not provided for in the financial statements	10,132	3,385	768	193
– development expenditure contracted but not provided for in the financial statements	1,774,778	1,156,995	–	–
– capital contribution/acquisition of associates, joint ventures and investee companies	1,094,668	1,070,242	–	–
– purchase of lands/properties contracted but not provided for in the financial statements	1,148,353	1,505,318	–	–
– shareholders' loan committed to associates, joint ventures and investee companies	1,096,462	8,360	–	–
	5,124,393	3,744,300	768	193

(c) As at the balance sheet date, the notional principal values of financial instruments are as follows:

	The Group		The Company	
	31/12/2011 $'000	31/12/2010 $'000	31/12/2011 $'000	31/12/2010 $'000
Interest rate swaps	2,822,340	2,405,031	–	–
Forward start interest rate swaps	260,142	863,158	–	–
Forward foreign exchange contracts	686,536	394,976	–	–
Cross currency swaps	211,538	–	–	–
	3,980,556	3,663,165	–	–

(d) The maturity dates of these financial instruments are:

	The Group		The Company	
	31/12/2011 $'000	31/12/2010 $'000	31/12/2011 $'000	31/12/2010 $'000
Not later than 1 year	1,648,968	1,344,967	–	–
Between 1 and 5 years	1,690,815	1,683,523	–	–
After 5 years	640,773	634,675	–	–
	3,980,556	3,663,165	–	–

35 FINANCIAL GUARANTEE CONTRACTS

There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. The Group and the Company issue guarantees only for their subsidiaries and related parties.

	The Group		The Company	
	31/12/2011 $'000	31/12/2010 $'000	31/12/2011 $'000	31/12/2010 $'000
(a) Guarantees given to banks to secure banking facilities provided to:				
– subsidiaries	–	–	2,644,542	2,935,350
– associates	51,313	36,286	–	–
– joint ventures	10,552	15,043	–	105
– investee company	104,124	106,738	–	–
	165,989	158,067	2,644,542	2,935,455

(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 $1,486.1 million (31/12/2010: $1,486.1 million) and bankers' guarantee facility amounting to $133.9 million (31/12/2010: $133.9 million) granted to an associate. As at 31 December 2011, the total amount outstanding under the facilities was $1,286.1 million (31/12/2010: $1,241.1 million).

(ii) A subsidiary of the Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of term loan and revolving construction facilities amounting to $105.0 million (31/12/2010: $214.1 million) and bankers' guarantee facility amounting to $42.0 million (31/12/2010: $42.0 million) granted to a joint venture. As at 31 December 2011, the amount outstanding under the facilities was $105.0 million (31/12/2010: $176.1 million).

(iii) 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 a $890.0 million term loan facility granted to a joint venture during the year. As at 31 December 2011, the amount outstanding under the term loan facility was $440.0 million.

(iv) 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 million granted to a joint venture during the year. As at 31 December 2011, the amount outstanding under the facilities was $1,618 million.

Notes to the Financial Statements

35 FINANCIAL GUARANTEE CONTRACTS *(cont'd)*

(b) Undertakings by the Group and the Company *(cont'd)*:

(v) 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 2011, the outstanding notional amount of the guarantees amounted to $64.9 million (31/12/2010: $61.2 million).

(vi) In 2010, the Company provided several undertakings on cost overrun, interest shortfall, completion and annualised gross rental, on a joint or several basis, in respect of term loan and revolving credit facilities amounting to $1,490.9 million, granted to a joint venture. The undertakings were discharged during the year.

36 CONTINGENCIES

CapitaLand Limited previously held an effective 20% interest in the proposed Macao Studio City ("MSC") project through its minority holding in East Asia Satellite Television (Holdings) Limited ("East"), a joint venture company with eSun Holdings Limited ("eSun"). The MSC project is held by East and New Cotai LLC ("New Cotai") in the proportions of 60% and 40% respectively, through Cyber One Agents Limited ("Cyber One").

On 14 October 2010, New Cotai Entertainment LLC ("NCE"), an affiliate company of New Cotai, issued a writ in the High Court of Hong Kong, Special Administrative Region against, amongst others, CapitaLand Limited and CapitaLand Integrated Resorts Pte Ltd ("CIR"). The writ alleged that East Asia Televisao por Satelite, Limitada ("MacauCo") has breached its contract with NCE in relation to a lease of premises in the MSC for NCE's casino operations ("Casino Lease"). NCE has sued CapitaLand and CIR for inducement and/or procurement of breach of contract by MacauCo and conspiracy with eSun and others to use unlawful means with the intention of injuring NCE by doing whatever was necessary to ensure that MacauCo did not sign the definitive agreement in relation to the Casino Lease.

On 27 June 2011, the Group divested its entire 20% interest in MSC to a wholly-owned subsidiary of eSun, Boom Faith Limited ("Boom Faith"). Concurrently with the divestment, a settlement deed was effected between, inter alia, CapitaLand, CIR, eSun, Boom Faith and New Cotai which resulted in a full and final settlement, on a no admission of liability basis, of the legal proceedings and all disputes arising from the MSC project. The settlement included a release from liability between parties to the settlement deed and no settlement sum was payable by any party.

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 the Council of CEOs comprising the President & CEO, key management officers of the corporate office and CEOs of the strategic business units, to be key management personnel in accordance with FRS 24 *Related Party Disclosures*.

37 SIGNIFICANT RELATED PARTY TRANSACTIONS *(cont'd)*

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties during the financial year as follows:

	The Group		The Company	
	2011 $'000	2010 $'000 Restated	2011 $'000	2010 $'000 Restated
Related Corporations				
Equity participation in a newly formed subsidiary	150,000	–	–	–
Acquisition of an associate	360,000	–	–	–
Project management fee income	742	–	–	–
Subsidiaries				
Management fee income	–	–	66,107	66,061
IT and administrative support services	–	–	12,332	1,525
Others	–	–	(239)	(710)
Associates and Joint Ventures				
Management fee income	301,426	280,953	–	–
Construction and project management income	51,958	36,470	–	–
Rental expense	(44,684)	(10,345)	(3,824)	(4,005)
Proceeds from sale of properties and investments	443,535	1,972,267	–	–
Acquisition of investments	79,443	–	–	–
Accounting service fee, acquisition fee, divestment fee, marketing income and others	77,575	60,503	(256)	(268)
Key Management Personnel				
Subscription of bonds issued by an indirect subsidiary	3,000	–	–	–
Interest paid/payable by the Company and its indirect subsidiaries	325	302	111	37
Professional fees paid/payable to a director and a firm in which a director is a member	7	19	–	3
Sale of residential properties by the subsidiaries	1,178	18,151	–	–
Rental income received/receivable from a corporation in which a director has an interest	–	396	–	–
Remuneration of Key Management Personnel				
Salary, bonus and other benefits	23,041	23,806	11,650	11,974
Employer's contributions to defined contribution plans	107	106	45	27
Equity compensation benefits	6,961	8,946	3,643	4,974
	30,109	32,858	15,338	16,975

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 31/12/2011 %	Percentage held by the Company 31/12/2010 %
CapitaLand Commercial Limited	100	100
CapitaLand Financial Limited	100	100
CapitaLand GCC Holdings Pte Ltd	100	100
CapitaLand ILEC Pte Ltd	100	100
CapitaLand Residential Limited	100	100
CapitaLand Treasury Limited	100	100
CapitaMalls Asia Limited	65.5	65.5
CapitaValue Homes Limited	100	100
CL Pinnacle Pte Ltd	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 31/12/2011 %	Effective Interest held by the Group 31/12/2010 %
(i) Directly or indirectly held by CapitaLand Residential Limited:			
Ankerite Pte Ltd	Singapore	60.0	60.0
Ausprop Holdings Limited	Singapore	100	100
Australand	Australia	59.3	59.3
Austvale Holdings Ltd	Singapore	100	100
CapitaLand China Holdings Pte Ltd	Singapore	100	100
CapitaLand Residential Singapore Pte Ltd	Singapore	100	100
CRL Realty Pte Ltd	Singapore	100	100
Leonie Court Pte Ltd	Singapore	100	100
Phoenix Realty Pte Ltd	Singapore	100	100

38 SUBSIDIARIES *(cont'd)*

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	Effective Interest held by the Group 31/12/2010 %
(ii) Directly or indirectly held by CapitaLand China Holdings Pte Ltd:			
[4] Beijing XinKai Real Estate Development Co., Ltd	The People's Republic of China	100	100
[1] CapitaLand (China) Investment Co., Ltd	The People's Republic of China	100	100
[1] CapitaLand Management (China) Co., Ltd	The People's Republic of China	100	100
[1] Dongjin Real Estate Development (Tian Jin) Co., Ltd	The People's Republic of China	100	100
[1] Foshan Xin Fo Chen Real Estate Development Co., Ltd	The People's Republic of China	100	100
[1] Longtex Investment Limited	Hong Kong	100	100
[3] Shenzhen Municipal Golden Dragon Property Development Limited	The People's Republic of China	73.0	50.2
Yorksure Pte Ltd	Singapore	100	100
(iii) Directly or indirectly held by CapitaLand Commercial Limited:			
CapitaLand Commercial Management Pte Ltd	Singapore	100	100
CapitaLand (Office) Investments Pte Ltd	Singapore	100	100
CapitaLand (Vietnam) Holdings Pte Ltd	Singapore	–[#]	100
[1] CapitaLand – Vista Joint Venture Co., Ltd	Vietnam	–[#]	80.0
[1] CapitaLand – Hoang Thanh Company Limited	Vietnam	–[#]	70.0
Corporation Place Ltd	Singapore	75.0	75.0
E-Pavilion Pte Ltd	Singapore	100	100
SBR Private Limited	Singapore	100	100
Wan Tien Realty (Pte) Ltd	Singapore	100	100

[#] *Transferred to CapitaValue Homes Limited. See note 38(b)(v).*

Notes to the Financial Statements

38 SUBSIDIARIES *(cont'd)*

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	Effective Interest held by the Group 31/12/2010 %
(iv) Directly or indirectly held by The Ascott Limited:			
Ascott Residence Trust Management Limited	Singapore	100	100
[1] Citadines Melbourne on Bourke Pty Ltd	Australia	100	100
The Ascott Capital Pte Ltd	Singapore	100	100
The Ascott (Europe) Pte Ltd	Singapore	100	100
The Ascott Holdings Limited	Singapore	100	100
Somerset Capital Pte Ltd	Singapore	100	100
(v) Directly held by CapitaValue Homes Limited:			
CapitaLand (Vietnam) Holdings Pte Ltd	Singapore	100#	–
[1] CapitaLand-Vista Joint Venture Co., Ltd	Vietnam	80.0#	–
[1] CapitaLand-Hoang Thanh Company Limited	Vietnam	70.0#	–
[1] Wuhan Kaihui Real Estate Co., Ltd	The People's Republic of China	100	–

\# *Transferred from CapitaLand Commercial Limited. See note 38(b)(iii).*

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	Effective Interest held by the Group 31/12/2010 %
(vi) Directly or indirectly held by CapitaLand Financial Limited:			
CapitaLand China Development Fund Management Private Limited	Singapore	100	100
CapitaCommercial Trust Management Limited	Singapore	100	100
CapitaLand Financial Investments Ltd	Singapore	100	100
CapitaLand Japan Investments Pte Ltd	Singapore	100	100
CapitaLand Nippon Investments Pte Ltd	Singapore	100	100
RCCF Management Pte Ltd	Singapore	100	100

38 SUBSIDIARIES *(cont'd)*

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	Effective Interest held by the Group 31/12/2010 %
(vii) Directly or indirectly held by CapitaMalls Asia Limited:			
CapitaLand Retail China Pte Ltd	Singapore	65.5	65.5
CapitaLand Retail (MY) Pte Ltd	Singapore	65.5	65.5
CapitaLand Retail RECM Pte Ltd	Singapore	65.5	65.5
CapitaLand Retail Singapore Investments Pte Ltd	Singapore	65.5	65.5
CapitaMall Trust Management Limited	Singapore	65.5	65.5
CapitaRetail China Investments Pte Ltd	Singapore	65.5	65.5
[1] Chengdu HuaYun Jiangnan Real Estate Development Co., Ltd.	The People's Republic of China	65.5	65.5
Pyramex Investments Pte Ltd	Singapore	65.5	65.5
[1] Shanghai Yongwei Real Estate Co., Ltd	The People's Republic of China	43.2	–
(viii) Directly or indirectly held by Australand:			
[2] Australand Finance Limited	Australia	59.3	59.3
[2] Australand Funds Management Limited	Australia	59.3	59.3
[2] Australand HK Company Limited	Hong Kong	59.3	59.3
[2] Australand Investments Limited	Australia	59.3	59.3
[2] Australand Property Group Pty Limited	Australia	59.3	59.3
[2] Australand Property Trust	Australia	59.3	59.3
[2] Australand Property Limited	Australia	59.3	59.3
[2] Australand Property Trust No.4	Australia	59.3	59.3
[2] Australand Property Trust No.5	Australia	59.3	59.3

Notes to the Financial Statements

38 SUBSIDIARIES *(cont'd)*

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	31/12/2010 %
(ix) Directly held by CapitaLand ILEC Pte Ltd:			
Kestrel Pte Ltd	Singapore	100	100
(x) Directly or indirectly held by CapitaLand GCC Holdings Pte Ltd:			
[1] CapitaLand Bahrain Bay Business Services WLL	Bahrain	100	100
CapitaLand GCC (Bahrain) Pte Ltd	Singapore	100	100

Notes:

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

[1] *Audited by other member firms of KPMG International.*

[2] *Audited by PricewaterhouseCoopers and its associated firms.*

[3] *Audited by Shenzhen Yida Certified Public Accountants.*

[4] *Audited by Beijing Zhong Jing Heng Tai Certified Public Accountants.*

39 ASSOCIATES

Details of significant associates are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	31/12/2010 %
(i) Directly held by CL Pinnacle Pte Ltd:			
Surbana Corporation Pte Ltd	Singapore	40.0	–
(ii) Indirectly held by CapitaLand China Holdings Pte Ltd:			
CapitaLand China Development Fund Pte Ltd	Singapore	37.5	37.5
[1] Central China Real Estate Ltd	Cayman Islands	27.1	27.1
[2] Lai Fung Holdings Limited	Cayman Islands	20.0	20.0
Raffles City China Fund Ltd	Cayman Islands	45.3^	45.2^
Senning Property Ltd	British Virgin Islands	38.8#	38.8#

^ *Includes 9.8% interest indirectly held through CapitaMalls Asia Limited.*

Includes 11.8% interest indirectly held through CapitaMalls Asia Limited.

39 ASSOCIATES *(cont'd)*

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	31/12/2010 %
(iii) Indirectly held by CapitaLand Commercial Limited:			
CapitaCommercial Trust	Singapore	32.0#	31.8#
[3] DBS China Square Limited	Singapore	30.0	30.0

Includes 2.9% and 2.6% interests indirectly held through CapitaLand Financial Limited as at end-2011 and end-2010 respectively.

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	31/12/2010 %
(iv) Directly and indirectly held by The Ascott Limited:			
Ascott Residence Trust	Singapore	48.8	47.8
Ascott Serviced Residence (China) Fund	Cayman Islands	36.1	33.0
(v) Indirectly held by CapitaMalls Asia Limited:			
CapitaMall Trust+	Singapore	18.7	19.6
[1] CapitaMalls Malaysia Trust	Malaysia	23.4	27.3
CapitaMalls Japan Fund Private Limited+ (formerly known as CapitaRetail Japan Fund Private Limited)	Singapore	17.2	17.2
CapitaRetail China Trust+	Singapore	17.7	17.9
CapitaMalls China Income Fund (formerly known as CapitaRetail China Development Fund)	Singapore	29.5	29.5
CapitaMalls China Development Fund II (formerly known as CapitaRetail China Development Fund II)	Singapore	29.5	29.5
CapitaMalls China Incubator Fund+ (formerly known as CapitaRetail China Incubator Fund)	Singapore	19.6	19.7
CapitaMalls India Development Fund (formerly known as CapitaRetail India Development Fund)	Singapore	29.8	29.8

+ *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.*

Notes to the Financial Statements

39 ASSOCIATES *(cont'd)*

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	31/12/2010 %
(vi) Indirectly held by CapitaLand GCC Holdings Pte Ltd:			
[1] Raffles City Bahrain Fund Ltd	Cayman Islands	40.9	40.9

Notes:

All significant associates are audited by KPMG LLP Singapore except for the following:

[1] *Audited by other member firms of KPMG International.*

[2] *Audited by Ernst & Young and its associated firms.*

[3] *Audited by PricewaterhouseCoopers and its associated firms.*

40 JOINT VENTURES

Details of significant joint ventures are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group 31/12/2011 %	31/12/2010 %
(i) Indirectly held by CapitaLand Residential Limited:			
Augite Pte Ltd	Singapore	50.0	50.0
(ii) Directly held by CapitaValue Homes Limited:			
Vietnam Joint Venture Company Limited	Cayman Islands	50.0	50.0
(iii) Indirectly held by CapitaMalls Asia Limited:			
Orchard Turn Holding Pte Ltd	Singapore	32.8	32.8
(iv) Indirectly held by CapitaLand GCC Holdings Pte Ltd:			
[1] Mubadala CapitaLand Real Estate LLC	United Arab Emirates	49.0	49.0

Notes:

All significant joint ventures are audited by KPMG LLP Singapore except for the following:

[1] *Audited by other member firms of KPMG International.*

41 OPERATING SEGMENTS

Management determines the operating segments based on the reports reviewed and used by the Council of CEOs for strategic decisions making and resources allocation. For management purposes, the Group is organised into strategic business units based on their products, services and geography.

The Group's reportable operating segments are as follows:

(i) CapitaLand Residential Singapore – develops residential properties in Singapore for sale and covers a wide spectrum of the residential market in Singapore.

(ii) CapitaLand China Holdings – involves in the residential, commercial and integrated property development in China.

(iii) CapitaLand Commercial – owner/manager of commercial and industrial properties in Singapore, Malaysia and United Kingdom. It also develops residential projects in 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) CapitaLand Financial – involves in real estate fund management and financial advisory services.

(vi) CapitaValue Homes – develops value housing projects in China and Vietnam.

(vii) CapitaMalls Asia – shopping mall owner/manager with portfolio in Singapore, China, India, Japan and Malaysia.

(viii) Australand – a major diversified property group with activities in residential, commercial and industrial developments and investment properties across Australia.

(ix) Others – includes Corporate Office, Group Treasury and Surbana.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax ("EBIT"). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

Geographically, management reviews the performance of the businesses in Singapore, China, Other Asia, Australia and Europe. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current assets and total assets are based on the geographical location of the assets.

41 OPERATING SEGMENTS *(cont'd)*

Operating Segments – 31 December 2011

	CapitaLand Residential Singapore $'000	CapitaLand China Holdings $'000	CapitaLand Commercial $'000	Ascott $'000	CapitaValue Homes $'000	CapitaLand Financial $'000	CapitaMalls Asia $'000	Australand $'000	Others $'000	Elimination $'000	Group $'000
Revenue											
External revenue	773,955	521,993	92,799	369,271	79,827	101,997	243,325	836,383	19	–	3,019,569
Inter-segment revenue	129	4,647	3,934	8,179	491	1,305	2,848	–	247,317	(268,850)	–
Total Revenue	774,084	526,640	96,733	377,450	80,318	103,302	246,173	836,383	247,336	(268,850)	3,019,569
Segmental Results											
Company and subsidiaries	301,317	251,576	34,517	41,725	(11,076)	75,947	241,196	284,834	276,162	(286,255)	1,209,943
Associates	2,026	157,327	160,610	107,228	–	4,073	195,382	5,320	(6,463)	25,691	651,194
Joint ventures	24,077	14,777	(5,562)	(559)	(1,794)	20	160,446	34,047	–	–	225,452
Earnings Before Interest and Taxation	327,420	423,680	189,565	148,394	(12,870)	80,040	597,024	324,201	269,699	(260,564)	2,086,589
Finance costs											(472,785)
Taxation											(190,884)
Profit for the year											1,422,920
Segment Assets	3,056,600	6,983,939	2,771,082	3,345,704	511,065	239,065	8,901,607	5,140,846	11,272,463	(6,902,930)	35,319,441
Segment Liabilities	1,370,212	1,966,926	351,587	1,205,106	232,713	49,137	2,500,260	2,190,666	6,213,363	–	16,079,970
Other segment items:											
Interest income	13,462	14,966	1,447	11,200	1,484	139	18,891	5,500	13,868	–	80,957
Depreciation and amortisation	(510)	(6,408)	(1,285)	(14,997)	(437)	(220)	(7,067)	(4,370)	(5,315)	–	(40,609)
Write back of/(Provision for) foreseeable losses	–	–	2,700	–	–	–	–	(39,155)	–	–	(36,455)
Impairment losses for assets	(4)	(326)	(4,774)	–	(56)	–	(278)	–	(57)	–	(5,495)
Fair value (losses)/ gains on investment properties	–	(2,927)	6,915	232	–	–	200,934	79,878	–	–	285,032
Share-based expenses	(1,553)	(3,495)	(3,035)	(4,281)	(916)	(1,437)	(8,343)	(2,971)	(8,312)	–	(34,343)
Gains/(losses) on disposal of investments	–	169,511	21,766	36,853	6	20,322	14,793	–	(3,223)	–	260,028
Associates	259,672	2,056,740	1,532,978	1,152,984	(364)	135,535	3,397,889	83,742	402,696	268,865	9,290,737
Joint ventures	135,971	115,476	73,900	4,125	59,271	1,341	728,544	273,387	2,248	–	1,394,263
Capital expenditure[#]	246,962	33,476	205,199	41,698	1,086	233	1,500,931	226,165	22,020	–	2,277,770

[#] *Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.*

41 OPERATING SEGMENTS *(cont'd)*

Operating Segments – 31 December 2010 (Restated)

	CapitaLand Residential Singapore $'000	CapitaLand China Holdings $'000	CapitaLand Commercial $'000	Ascott $'000	CapitaValue Homes $'000	CapitaLand Financial $'000	CapitaMalls Asia $'000	Australand $'000	Others $'000	Elimination $'000	Group $'000
Revenue											
External revenue	1,284,862	323,546	137,467	400,589	135	114,332	242,506	879,796	159	–	3,383,392
Inter-segment revenue	–	3,665	5,409	6,772	–	1,834	2,896	–	281,850	(302,426)	–
Total Revenue	1,284,862	327,211	142,876	407,361	135	116,166	245,402	879,796	282,009	(302,426)	3,383,392
Segmental Results											
Company and subsidiaries	525,731	501,037	33,734	93,837	(21,881)	83,219	127,527	279,297	282,104	(279,918)	1,624,687
Associates	(18,291)	138,759	167,097	79,899	–	12,053	112,824	4,156	(22,013)	20,289	494,773
Joint ventures	6,581	9,149	49,375	(727)	1,373	7,768	363,062	28,441	–	–	465,022
Earnings Before Interest and Taxation	514,021	648,945	250,206	173,009	(20,508)	103,040	603,413	311,894	260,091	(259,629)	2,584,482
Finance costs											(448,183)
Taxation											(284,100)
Profit for the year											1,852,199
Segment Assets	2,096,710	7,266,013	2,414,525	3,315,287	334,096	271,398	6,944,427	4,675,853	11,268,513	(6,699,677)	31,887,145
Segment Liabilities	842,182	1,919,217	617,597	1,215,607	245,473	54,801	940,535	1,821,772	6,364,757	–	14,021,941
Other segment items:											
Interest income	17,691	9,749	3,345	7,563	2,435	13	26,037	4,199	11,995	–	83,027
Depreciation and amortisation	(582)	(6,876)	(2,745)	(30,248)	(169)	(351)	(7,207)	(5,239)	(6,208)	–	(59,625)
Provision for foreseeable losses	–	(5,000)	(25,848)	–	–	–	–	–	–	–	(30,848)
Write back of/(Provision for) impairment for assets	–	1,402	2,572	(29,021)	–	(1)	(284)	–	(4,082)	–	(29,414)
Fair value gains on investment properties	–	266,420	17,013	16,837	–	–	37,375	56,878	62	–	394,585
Share-based expenses	(1,124)	(4,343)	(6,551)	(4,330)	–	(1,739)	(8,997)	(2,273)	(9,771)	–	(39,128)
Gains on disposal of investments	–	183,324	91	70,906	59	12,970	12,333	–	24	–	279,707
Associates	257,870	1,875,442	1,459,331	822,926	–	142,494	3,121,472	40,082	37,714	434,076	8,191,407
Joint ventures	111,680	124,470	153,751	38,798	33,195	6,781	1,043,657	342,818	2,210	–	1,857,360
Capital expenditure[#]	756	16,684	65,935	94,168	279	61	95,178	182,189	5,277	–	460,527

[#] *Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.*

Notes to the Financial Statements

41 OPERATING SEGMENTS *(cont'd)*
Geographic Information

31/12/2011	Singapore $'000	China+ $'000	Other Asia# $'000	Australia $'000	Europe $'000	Others@ $'000	Total $'000
External Revenue	1,074,765	665,599	156,354	890,213	200,508	32,130	3,019,569
Non-current Assets^	6,821,378	6,520,896	1,674,865	3,526,515	750,190	–	19,293,844
Total Assets	14,275,555	12,021,215	2,715,061	5,461,780	845,830	–	35,319,441
31/12/2010 (Restated)							
External Revenue	1,642,503	465,074	96,958	916,159	227,391	35,307	3,383,392
Non-current Assets^	6,604,807	5,358,025	1,179,163	3,148,591	88	–	16,290,674
Total Assets	13,879,760	10,325,936	2,284,391	4,929,458	424,012	43,588	31,887,145

\+ *China includes Hong Kong and Macau.*
\# *Other Asia includes Indonesia, Japan, Malaysia, Philippines, Thailand, Korea, India, Vietnam and Gulf Cooperation Council countries.*
@ *Others includes the Cayman Islands.*
^ *Non-current assets comprised property, plant and equipment, intangible assets, investment properties and interests in associates and joint ventures.*

42 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- *Amendments to* FRS 1 *Presentation of Items of Other Comprehensive Income*
- *Amendments to* FRS 12 *Income Taxes: Deferred Tax Recovery of Underlying Assets*
- *Amendments to* FRS 107 *Disclosures Transfer of Financial Assets*
- FRS 27 *Separate Financial Statements*
- FRS 28 *Investments in Associates and Joint Ventures*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosures of Interests in Other Entities*
- FRS 113 *Fair Value Measurements*

The Group is presently assessing impact of the adoption of these standards (including their consequential amendments). The Group has not considered the impact of accounting standards issued after the balance sheet date.

43 COMPARATIVE INFORMATION

Certain comparatives in the financial statements have been changed from prior year due to the change in accounting policy as described in note 2(a).

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Stamford Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Monday, 30 April 2012 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 2011 and the Auditors' Report thereon.

2 To declare a first and final 1-tier dividend of S$0.06 per share and a special 1-tier dividend of S$0.02 per share for the year ended 31 December 2011.

3 To approve Directors' fees of S$1,919,601 for the year ended 31 December 2011 comprising:

(a) S$1,519,548.30 to be paid in cash (2010: S$1,409,220); and
(b) S$400,052.70 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 (2010: S$411,820^).

4 To re-elect the following Directors, who are retiring by rotation pursuant to Article 95 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:

(a) Prof Kenneth Stuart Courtis
(b) Mr John Powell Morschel

5 To re-elect Ms Euleen Goh Yiu Kiang, a Director who is retiring pursuant to Article 101 of the Articles of Association of the Company and who, being eligible, offers herself for re-election.

6 To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

7 To consider and, if thought fit, to pass with or without any modification, the following resolutions as Ordinary Resolutions:

7A That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

^ *Based on fair value of restricted shares awarded to non-executive Directors under the previous CapitaLand Restricted Stock Plan in recognition of their contributions for 2010. This amount did not form part of the Directors' fees for 2010 and is for comparison purposes only.*

Notice of Annual General Meeting

AS SPECIAL BUSINESS *(cont'd)*

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7B That the Directors of the Company be and are hereby authorised to:

(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 under the Performance Share Plan and/or the Restricted Share Plan,

provided that the aggregate number of 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

LOW SAI CHOY
COMPANY SECRETARY

Singapore
26 March 2012

NOTES:

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 not less than 48 hours before the time appointed for holding the Annual General Meeting.

Additional information relating to the Notice of Annual General Meeting:

1 Dr Hu Tsu Tau and Mr Richard Edward Hale, independent Directors, retire from the Annual General Meeting and are not seeking re-appointment pursuant to Section 153(6) of the Companies Act, Cap. 50 of Singapore. Dr Hu will also cease to serve as Chairman of the Board and Chairman and a Member of the Investment Committee respectively. Mr Hale will also cease to serve as Chairman and a Member of the Audit Committee and a Member of the Risk Committee respectively.

2 In relation to item 3 under the heading "As Ordinary Business", the total compensation of the non-executive Directors for 2011 of an aggregate amount of S$1,919,601, if approved, will be paid out as to S$1,519,548.30 in cash, and S$400,052.70 in the form of share awards under the CapitaLand Restricted Share Plan 2010. Consequently, and in accordance with the "Directors' Fee Policy" described in the Other Information section of the Company's Summary and Annual Reports 2011, a non-executive Director who served on the Board during 2011 (with the exception of Dr Hu Tsu Tau, Mr Richard Edward Hale and Dr Fu Yuning, who are retiring from the Board and Mr Jackson Peter Tai who retired from the Board during 2011) 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 number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the SGX-ST over the 14 trading days immediately following the date of the 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, Dr Fu Yuning and Mr Jackson Peter Tai will receive all of their Directors' fees in cash.

In comparison, the contingent share awards granted under the previous CapitaLand Restricted Stock Plan ("RSP") to non-executive Directors in recognition of their contributions for 2010 did not form a part of their Directors' fees and thus were not directly linked to their compensation. The awards were time-based with no performance conditions and released over a vesting period of two years. The awards of shares amounted to S$411,820 in aggregate (details can be found in the Other Information section of the Company's Summary and Annual Reports 2010) based on the fair value of the shares comprised in the awards under the RSP at the time of grant. As it is intended that share awards should have a direct linkage to the total compensation of the non-executive Directors for 2011 (other than the retiring or retired non-executive Directors mentioned above) and as the aggregate Directors' fees for 2011 is subject to the approval of shareholders at the Annual General Meeting, no contingent share awards were granted under the CapitaLand Restricted Share Plan 2010 to the non-executive Directors during 2011.

3 In relation to item 4 under the heading "As Ordinary Business", an independent Director, Dr Fu Yuning retires by rotation pursuant to Article 95 of the Company's Articles of Association at the Annual General Meeting and is not seeking re-election. In relation to items 4(a) and (b) under the heading "As Ordinary Business", Prof Kenneth Stuart Courtis will, upon re-election, continue to serve as a Member of the Investment Committee and the Finance and Budget Committee respectively; and Mr John Powell Morschel will, upon re-election, continue to serve as a Member of the Investment Committee and the Nominating Committee respectively. Prof Courtis and Mr Morschel are considered as independent Directors.

Notice of Annual General Meeting

4 In relation to item 5 under the heading "As Ordinary Business", Article 101 of the Company's Articles of Association permits the Directors to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election. Ms Euleen Goh Yiu Kiang was appointed on 1 October 2011 and offers herself for re-election at the Annual General Meeting. Ms Goh will, upon re-election, continue to serve as Chairman and a Member of the Audit Committee and a Member of the Risk Committee respectively. Ms Goh is considered as an independent Director.

5 Ordinary Resolution No. 7A under the heading "As Special Business", if passed, will empower the Directors to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments from the date of the Annual General Meeting until the date of the next Annual General Meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) 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 No. 7A is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 7A 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 No. 7B 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 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.

CAPITALAND LIMITED
(Regn. No.: 198900036N)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. For investors who have used their CPF monies to buy the Company's shares, this Summary Report/Annual Report is forwarded to them at the request of their CPF Approved Nominee and is sent solely FOR THEIR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, ________________________________ (Name) ____________________________ (NRIC/Passport/Company Regn. No.)

of ____ (Address)

being a member/members of CapitaLand Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of the Company, to be held at the Stamford Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560, on Monday, 30 April 2012 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolutions Relating To:	For*	Against*
	ORDINARY BUSINESS		
1	Adoption of Directors' Report, Audited Financial Statements and Auditors' Report		
2	Declaration of a First and Final Dividend and a Special Dividend		
3	Approval of Directors' Fees		
4(a)	Re-election of Prof Kenneth Stuart Courtis as Director		
4(b)	Re-election of Mr John Powell Morschel as Director		
5	Re-election of Ms Euleen Goh Yiu Kiang as Director		
6	Re-appointment of Auditors		
	SPECIAL BUSINESS		
7A	Authority for Directors to issue shares and to make or grant instruments pursuant to Section 161 of the Companies Act, Cap. 50		
7B	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		

* Please indicate your vote "For" or "Against" with a "✓" within the box provided.

Dated this ______________________ day of ______________________ 2012

Total Number of Shares Held

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE.

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Affix postage stamp

CAPITALAND LIMITED
c/o M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906

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NOTES TO PROXY FORM

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the Meeting.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, not less than 48 hours before the time appointed for holding the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General
The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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