Positioning for the Future

CapitaLand Limited
Annual Report 2014

Corporate Profile

CapitaLand Limited is one of Asia's largest real estate companies headquartered and listed in Singapore. The company leverages its significant asset base, design and development capabilities, active capital management strategies, extensive market network and operational capabilities to develop high-quality real estate products and services. Its diversified global real estate portfolio includes integrated developments, shopping malls, serviced residences, offices and homes. Its two core markets are Singapore and China, while Indonesia, Malaysia and Vietnam have been identified as new growth markets. The company also has one of the largest real estate fund management businesses with assets located in Asia.

CapitaLand's listed real estate investment trusts are Ascott Residence Trust, CapitaCommercial Trust, CapitaMall Trust, CapitaMalls Malaysia Trust and CapitaRetail China Trust.

Vision

To be a leading global enterprise that enriches people and communities through high-quality real estate products and services.

Mission

Customers: We create great customer value and experiences through high-quality products and services.

People: We develop high-performing people and teams through rewarding opportunities.

Investors: We deliver sustainable shareholder returns and build a strong global network of capital partners.

Communities: We care for and contribute to the economic, environmental and social development of communities.

Core Values

Respect: We believe in mutual trust and respect at all levels. This is fundamental to a high-performance culture that embraces diversity and teamwork as One CapitaLand.

Integrity: We embrace the highest standards of integrity. We have the courage to do what is right, and earn the trust of all our stakeholders.

Creativity: We constantly innovate to enhance value and stay ahead.

Excellence: We pursue excellence and persevere in everything we do.

Cover (from top to bottom)
Capital Tower, Singapore
Raffles City Chengdu, China
The Interlace, Singapore
CapitaMall Tianfu, China
Bugis Junction, Singapore
Citadines Suites Louvre Paris, France

Positioning for the Future

CapitaLand is a leader in developing integrated developments, shopping malls, serviced residences, offices and homes. We are driven by our commitment to enrich people and communities through high-quality real estate products and services. As urbanisation and rising affluence continue to drive the need for quality, well-designed spaces to live, work and play in, CapitaLand is well-positioned to seize opportunities for growth - today and in the future.

Contents

2014 Highlights

Group Managed Real Estate Assets

S$70.6 billion

refers to value of all real estate managed by CapitaLand Group entities stated at 100% of the property carrying value

Profit Attributable to Shareholders

38%

S$840.2 million in 2013

S$1,160.8 million

Operating PATMI

40%

S$502.5 million in 2013

S$705.3 million

Earnings Before Interest and Tax

8%

S$2,258.6 million in 2013

S$2,436.9 million

Return on Equity

1.7%

5.4% in 2013

7.1%

Net Tangible Assets per Share

4%

S$3.68 in 2013

S$3.83

Dividend per Share

12.5%

8.0 cents in 2013

9.0 cents

Significant Scale Achieved[1]

Revenue Under Management
S$8.7 billion

Total Home Units Constructed in Singapore, China and Vietnam (since 2000)
>62,000

Office Tenants in Singapore & China
>900

Gross Turnover Sales by Retailers
S$10.2 billion

Shopper Traffic Across 5 Countries[2]
960 million

Retail Leases Across 5 Countries[2]
~15,000

Unique Serviced Residence Customers
~660,000

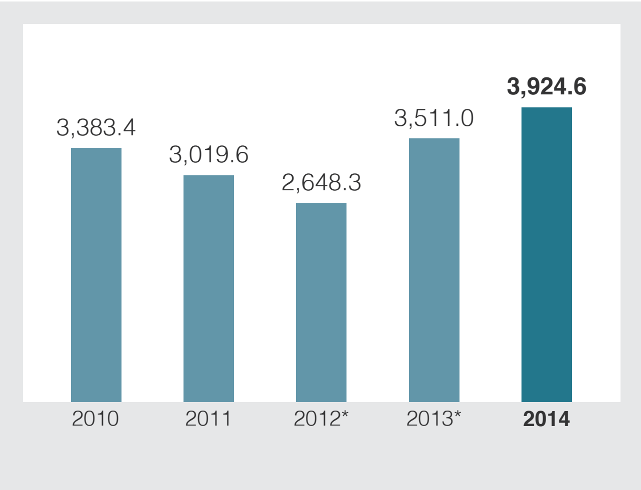
Staff Volunteer Hours (since 2007)
>75,000

CapitaLand Hope Schools in China and Vietnam (since 2005)
27

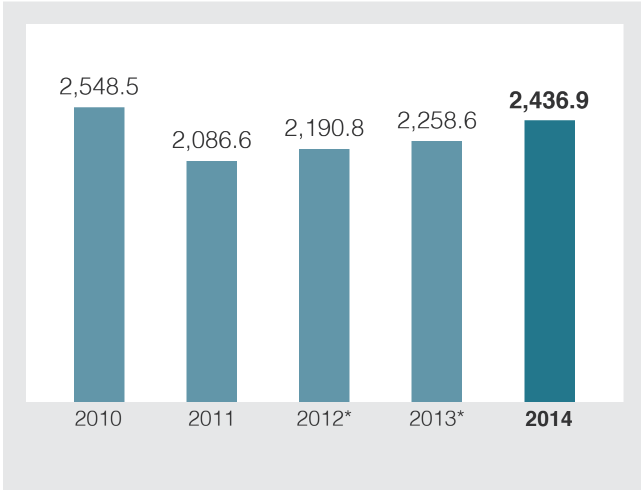
1 Numbers stated are as of FY 2014 unless otherwise stated.
2 The five countries are Singapore, China, Malaysia, India and Japan.

Financial Highlights

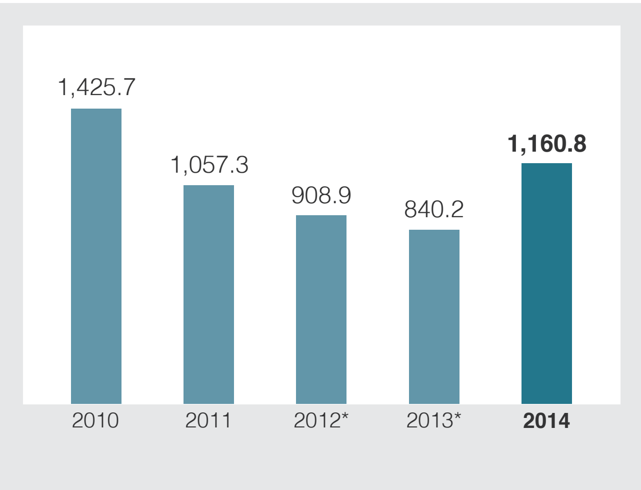
Revenue (S$ million)



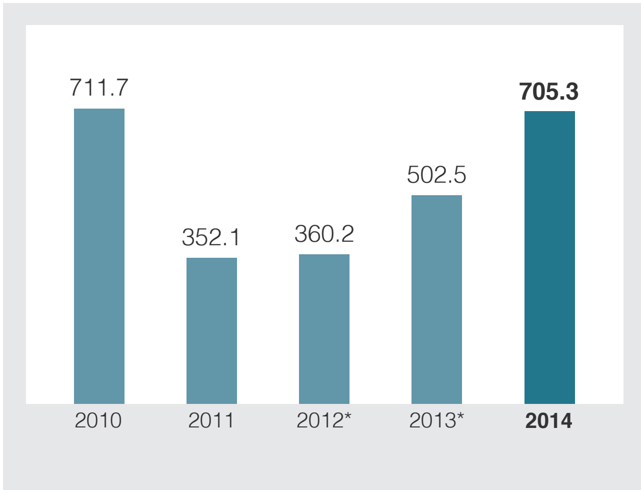
Earnings Before Interest and Tax (EBIT) (S$ million)



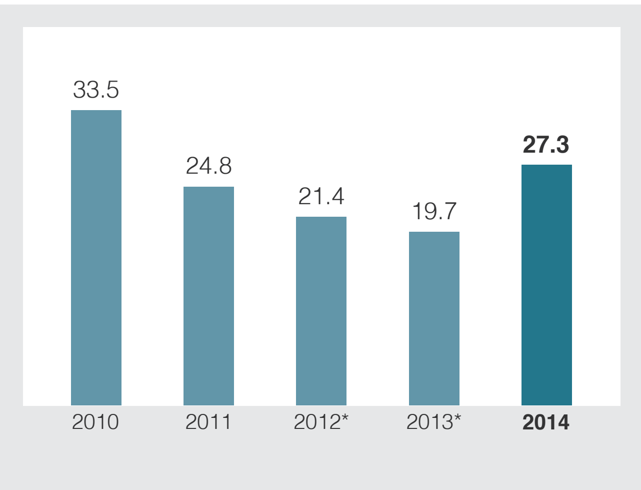
Profit Attributable to Shareholders (PATMI)
(S$ million)



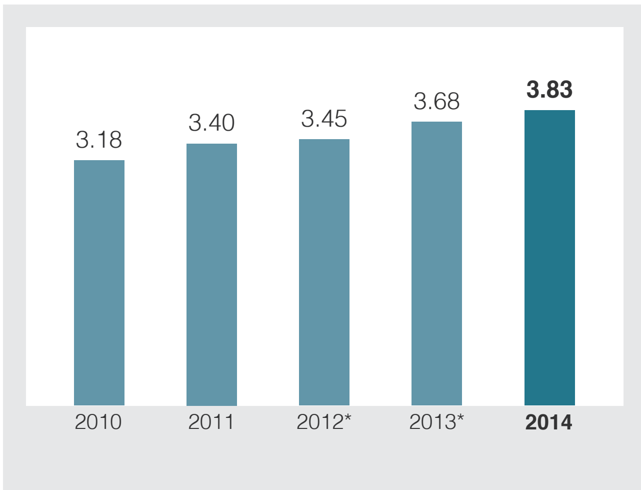
Operating PATMI (S$ million)



Earnings per Share (cents)



Net Tangible Assets per Share (S$)



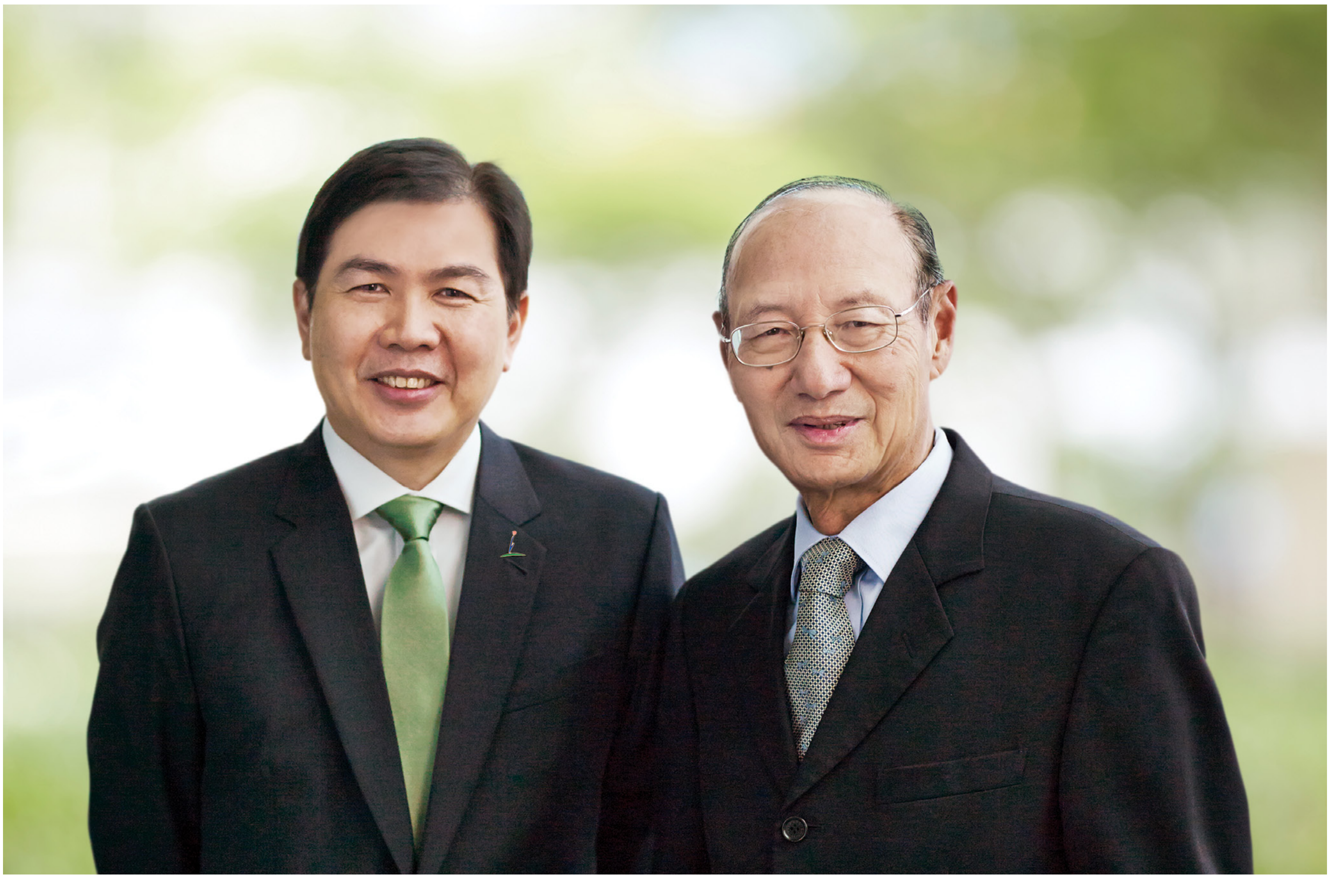
* Comparatives for 2012 and 2013 have been restated to take into account: (i) the retrospective adjustments relating to FRS 110 *Consolidated Financial Statements* and (ii) re-presentation of Australand's results under 'discontinued operation' in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operation.*

5-Year Financial Summary

		2010	2011	2012 Restated	2013 Restated	2014
(A)	**INCOME STATEMENT (S$ million)**					
	Revenue	3,383.4	3,019.6	2,648.3	3,511.0	3,924.6
	Earnings Before Interest and Tax (EBIT)	2,548.5	2,086.6	2,190.8	2,258.6	2,436.9
	Profit Attributable to Shareholders (PATMI)	1,425.7	1,057.3	908.9	840.2	1,160.8
	Operating PATMI	711.7	352.1	360.2	502.5	705.3
(B)	**BALANCE SHEETS (S$ million)**					
	Investment Properties	4,732.9	7,074.6	17,882.1	15,495.9	17,149.2
	Development Properties for Sale and Stocks	5,667.1	6,905.1	7,510.6	7,382.4	7,673.7
	Associates and Joint Ventures	10,048.8	10,685.0	11,109.5	12,673.2	12,780.9
	Cash and Cash Equivalents	7,190.1	6,264.5	5,820.7	6,306.3	2,749.4
	Other Assets	4,248.2	4,390.3	3,714.1	3,205.3	3,760.3
	Total Assets	31,887.1	35,319.5	46,037.0	45,063.1	44,113.5
	Equity attributable to owners of the Company	14,031.9	14,901.6	15,145.9	16,108.9	16,758.0
	Total Borrowings	10,358.0	12,190.6	17,454.4	15,936.2	15,985.8
	Non-controlling Interests and Other Liabilities	7,497.2	8,227.3	13,436.7	13,018.0	11,369.7
	Total Equities & Liabilities	31,887.1	35,319.5	46,037.0	45,063.1	44,113.5
(C)	**FINANCIAL RATIOS**					
	Earnings per share (cents)	33.5	24.8	21.4	19.7	27.3
	Net Tangible Assets per share (S$)	3.18	3.40	3.45	3.68	3.83
	Return on Equity (%)	10.5	7.3	6.1	5.4	7.1
	Return on Total Assets (%)	7.7	5.9	5.2	4.9	5.1
	Debt Equity Ratio (net of cash) (times)	0.18	0.31	0.48	0.39	0.57
	Net Debt/Total Assets (net of cash) (times)	0.13	0.20	0.29	0.25	0.32
	Interest Cover (times)	7.6	5.7	5.3	5.7	7.2
	Interest Service (times)	4.5	2.7	3.3	4.6	4.6
	Dividend					
	Ordinary dividend per share (cents)	6.0	6.0	7.0	8.0	9.0
	Special dividend per share (cents)	–	2.0	–	–	–
	Total dividend per share (cents)	6.0	8.0	7.0	8.0	9.0
	Dividend cover (times)	5.6	3.1	3.1	2.5	3.0

Comparatives for 2012 and 2013 have been restated to take into account: (i) the retrospective adjustments relating to FRS 110 *Consolidated Financial Statements* and (ii) re-presentation of Australand's results under 'discontinued operation' in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operation.*

Letter to Shareholders



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

For the year ended 31 December 2014, CapitaLand achieved S$3.9 billion of total revenue and S$2.4 billion of earnings before interest and tax (EBIT) from our continuing operations. Total net profit after tax and minority interests (PATMI) increased 38% to reach S$1.2 billion[1].

Dear Shareholders,

On behalf of the Board and management, we would like to thank you for your continued support in 2014. This has been a significant year of transformation for CapitaLand as we successfully completed our strategic streamlining by fully acquiring and delisting CapitaMalls Asia Limited (CMA), and divesting Australand Property Group (ALZ).

We now have a simplified structure comprising four directly and fully owned business units – CapitaLand Singapore (CLS), CapitaLand China (CLC), CapitaMalls Asia Limited (CMA) and The Ascott Limited (Ascott). CLS and CLC concentrate on the residential, office and integrated developments in their respective core markets of Singapore and China; while CMA and Ascott continue to focus on shopping malls and serviced residences respectively.

The ONE CapitaLand integration significantly enhances CapitaLand's competitive strengths in integrated developments. With greater alignment of business strategies and combination of resources, we are better-positioned to leverage opportunities for growth and enhance overall project returns. The simplified structure reinforces CapitaLand's investment proposition as a single listed developer integrated across asset classes, providing a good balance between recurring and development income. We will continue our capital management strategy using the listed real estate investment trusts (REITs), funds and various capital market platforms, as well as growing our assets under management.

We are well-positioned to take on opportunities and challenges in an increasingly dynamic landscape while staying committed to deliver a sustainable return on equity (ROE) in excess of 8% in the medium term.

1 Includes PATMI from discontinued operation of S$29.1 million.

Steady Financial Performance

In a year which saw much geo-political uncertainties and market headwinds, CapitaLand delivered a set of resilient and healthy financial results. For the year ended 31 December 2014, CapitaLand achieved S$3.9 billion of total revenue and S$2.4 billion of earnings before interest and tax (EBIT) from our continuing operations. Total net profit after tax and minority interests (PATMI) increased 38% to reach S$1.2 billion[1]. Reflecting the strength of our underlying businesses, operating PATMI grew 40% to reach S$705.3 million[2] and earnings per share (EPS) was 27.3 Singapore cents, up 39%. CapitaLand's share price outperformed the market, growing from S$3.03 to end the year at S$3.31. Including total paid out dividends of 8.0 Singapore cents per share, the total shareholders returns in 2014 was 11.9%.

Proactive Capital Management Supports Sustainable Growth

CapitaLand ended the year with ample financial capacity of S$2.7 billion cash and S$5.0 billion available undrawn facilities. We maintained a net debt to equity ratio of 0.57 times, and strong interest cover and interest service ratios of 7.2 times and 4.6 times respectively. Net debt to total assets[3] remained healthy at 0.32 times. As part of our active capital management strategy, CapitaLand on a consolidated basis raised an aggregate of about S$1.9 billion from the capital markets in 2014. As at end-2014, average debt maturity profile remained at 3.3 years. To manage volatility of interest rates, 75% of the Group's borrowings were fixed-rate.

Strong and Resilient Core Businesses Drive Recurring Income

Over the past two years, CapitaLand has further built up a well-balanced portfolio that delivers steady recurring income. Our portfolio of total assets (by effective stake excluding treasury cash) has grown 24% since 2012 to reach S$33.1 billion by the end of 2014. Out of this, 74% were investment properties made up of commercial and integrated developments (30%), shopping malls (29%) and serviced residences (13%) which contributed S$1.1 billion of recurring EBIT, representing 61% of 2014's total operating EBIT of S$1.8 billion. The remaining 26% of our portfolio comprised residential and strata office properties developed for sale, which contributed operating EBIT of S$678.9 million in the same period.

In line with CapitaLand's policy to grow core dividend on a sustainable basis, the Board is pleased to propose an increased final ordinary dividend of 9.0 Singapore cents a share for Financial Year 2014.

Leading the Change

Focusing on Integrated Projects

With rapid urbanisation, governments and city planners are placing greater emphasis on sustainable development, turning to integrated developments which optimise space and resource efficiencies. What makes a good integrated development is having an optimal mix of quality retail, hospitality, commercial and residential spaces, all seamlessly integrated to provide the day-to-day convenience and comfort for people to live, work and spend time in. Thus, well-designed, well-built and well-managed projects located around key regional centres and transport hubs have done well and are expected to stay relevant over time.

CapitaLand is in a position of strength to capitalise on these trends. We have established meaningful scale and track record in developing and managing shopping malls, serviced residences, offices and homes in Singapore and China. As ONE CapitaLand, we are determined to harness our collective competencies to realise the right opportunities in integrated projects.

Building Scale in Singapore and China

Our geographical strategy is clear – focus on Singapore and the gateway city clusters of China to build meaningful scale. Altogether, Singapore and China accounted for 83% of the Group's total assets (excluding treasury cash) and 84% of the Group EBIT. Singapore makes up S$17.8 billion or 41% of the Group's total assets, providing a steady springboard for our growth pursuits, while China makes up S$18.3 billion or 42%. Other Asia[4], as well as Europe & Others[5] stood at S$4.7 billion (11%) and S$2.5 billion (6%) respectively.

China's economy has entered a new phase of development, expanding 7.4% in 2014. The long term strength and scale of China's economy are evident – with a total gross domestic product of over US$10 trillion, this translates to an aggregate annual growth larger than the United States.

For the past 20 years, we have entered and deepened our presence in China by introducing the shopping mall, serviced residence and Raffles City concepts and developing quality homes. CapitaLand's 20th anniversary in China provides a timely checkpoint – we are now one of the largest foreign real estate developers in China with a diversified portfolio of integrated developments, shopping malls, serviced residences, offices, homes and real estate fund management. Our scale, expertise and in-depth experience of over 20 years put us in an enviable position as a provider of quality real estate products and services for China's goal towards sustainable urbanisation.

1 Includes PATMI from discontinued operation of S$29.1 million.
2 Includes Operating PATMI from discontinued operation of S$16.3 million.
3 Total assets excluding cash.
4 Excludes Singapore and China, and includes projects in Gulf Cooperation Council Countries.
5 Includes Australia.

Expanding Footprint to New Growth Markets

For longer term diversification and balance, we are expanding our portfolio in selected emerging Southeast Asian cities of Ho Chi Minh City and Hanoi in Vietnam, Jakarta in Indonesia, and Kuala Lumpur and Penang in Malaysia. We believe these are investment destinations where we can fully leverage our diverse real estate expertise. For example, CapitaLand has built up 20 years of track record in Vietnam as a reliable developer delivering quality projects. We have also built up meaningful experience in Indonesia since 1995 through Ascott's serviced residence business. What makes CapitaLand a meaningful contender in these Southeast Asian cities is our experience in Singapore and China, as well as in integrated developments, which is highly relevant with respect to these cities' economic growth profiles.

Leveraging Established Capital Platforms for Growth

CapitaLand is a leading real estate fund manager in Asia, managing a total of five listed REITs and 16 non-listed real estate vehicles with S$42.4 billion of Assets Under Management (AUM).

The fund management business is CapitaLand's strategic platform through which we diversify our funding sources while expanding our AUM. At the same time, we have taken great efforts to ensure alignment of interests between our public shareholders and private capital partners, including investing meaningful stakes alongside them.

As investors and institutions continue to increase allocations to real estate assets, we believe we are one of the few Pan-Asia focused real asset developers and managers who have the experience, capital and operational capabilities to meaningfully participate in this opportunity to grow our business.

Sharpening our Competitive Edge with Innovation and Technology

The trends brought about by digital revolution continue to unfold. As a market leader with scale and depth across the entire real estate chain, it is incumbent on us to lead the change. To this end, we have a dedicated team to drive Group-wide innovation and make use of technology and new ideas to sharpen our competitive edge.

One much-discussed topic is how online retailing changes conventional shopping habits. CapitaLand's fundamental approach remains highly relevant – to develop quality shopping destinations that provide a relevant and refreshing mix of offerings from fashion and food, leisure and entertainment, to convenience and services. Combining this with attractive elements, such as the Westgate Wonderland, an 11,000 sq ft outdoor playground at Westgate, a premier family and lifestyle mall in the west of Singapore, we aim to make our malls an essential part of the community's social and economic fabric.

Pilot programmes are being implemented to converge digital shopping with physical space. To complete the profiling and understanding of the next generation of shoppers, we introduced SPARKS, a programme for CAPITASTAR members' children who are under 16 years old, in Singapore. CAPITASTAR is our cardless rewards programme for shoppers. Since its launch in 2011, CAPITASTAR has signed up more than a million members across Singapore, China, Malaysia and India.

We have also rolled out several initiatives for our serviced residence business. For example, a pilot programme has been started at one of Ascott's properties, The Mercer Hong Kong, to provide guests with complimentary smart phones that have unlimited 3G data connectivity and free IDD calls to selected countries. To improve productivity and cleanliness level, Ascott is test-bedding the use of cleaning robots in certain properties.

'Building People. Building Communities.'

CapitaLand's sustainability strategy is based on our credo of 'Building People. Building Communities.'. We embrace innovation to advance sustainable development of our business and environment, actively implement initiatives to support the well-being of our stakeholders and communities in which we operate, and uphold high standards of corporate governance and transparency to safeguard shareholders' interests.

Our current position would not have been possible if not for the hard work from our staff. Here in CapitaLand, we strongly believe in attracting the right talent, and to nurture and retain them. Our consistent focus to develop our talent pool ensures that we have depth in our management bench strength. In addition, we actively identify talent internally and externally for future leadership succession. We will continue to provide a positive and dynamic work environment for staff to grow together with us.

The cornerstone of CapitaLand's community development effort was the establishment of CapitaLand Hope Foundation (CHF) in 2005. Since then, more than S$24 million has been donated to support programmes for the education, healthcare and shelter needs of underprivileged children in countries where CapitaLand operates. CHF has also contributed to building 27 CapitaLand Hope Schools in China and Vietnam. In 2014, CHF donated more than S$2.3 million. Our staff dedicated more than 28,000 volunteer hours in various volunteering activities in Singapore and the region, over 55% increase from 2013.

Our 2nd CapitaLand Volunteer Day in Singapore held on 21 November 2014 was a continued success where 250 senior management and staff volunteers took time off work to help refurbish children's homes and residential units of underprivileged families. CapitaLand Volunteer Day was extended to China in conjunction with our 20th anniversary in China, and saw over 3,000 participants helping and participating in an experiential charity walk. Over RMB500,000 was donated by CHF to help disadvantaged children in China.

CapitaLand takes a proactive approach towards environmental, health and safety (EHS) management to ensure that our properties are sustainable. EHS key performance indicators are also incorporated and linked to the remuneration of management and staff. These coordinated efforts have resulted in the achievement of 15 green ratings and three Universal Design Mark Awards in 2014.

Green features promote energy and water efficiencies, and improve indoor environmental quality and building performance, which will translate into healthier and more productive workplaces for our tenants. For instance, CapitaGreen, a premium Grade A office tower located in Singapore's Central Business District, features a striking natural façade of living greenery and innovative technology that draws in cool fresh air to office floors. This 40-storey office tower, which obtained temporary occupation permit in December 2014, has been awarded the prestigious Green Mark Platinum Award, the highest accolade for green building certification in Singapore.

In recognition of our effort in sustainability, CapitaLand is one of the few Singapore developers to be conferred and included in multiple international awards and indices, including the Global 100 Most Sustainable Corporations in the World, Sustainability Yearbook, Dow Jones Sustainability World Index, one of the Asian Leaders in Global Real Estate Sustainability Benchmark, FTSE4Good, and the MSCI Global Sustainability Indexes.

CapitaLand aims to be a leader in upholding the highest standards in corporate governance, transparency and integrity. We were accorded the prestigious Golden Circle Award for Overall Most Transparent Company and the Most Transparent Company Award (Real Estate) by the Securities Investors Association (Singapore) (SIAS). The Board and the company will continue to work hard to earn the long-term support of our stakeholders.

Acknowledgements

Mr Peter Seah, who has served with distinction on the Board of CapitaLand for many years, will not be seeking re-election as Director at the upcoming Annual General Meeting. The Board and management have benefited immensely from his wise counsel and deep insights. We thank him for his invaluable contributions and wish him well in all his endeavours.

We would like to extend our warmest welcome to Dr Philip Nalliah Pillai and Mr Kee Teck Koon who joined the Board as Independent Non-Executive Directors. Both Dr Pillai and Mr Kee bring with them extensive experience and sterling records of achievement, and we look forward to their counsel and contributions in the years ahead.

We would also like to express our appreciation to Mr Olivier Lim (former Deputy Group CEO) and Mr Lim Beng Chee (former CMA CEO) for their many years of dedicated service and contributions to CapitaLand.

Well-Positioned to Move Ahead

CapitaLand has built up a strong operating portfolio of five Raffles City integrated developments, 86 operational malls, 25,700 operational serviced residence units and 10 quality commercial buildings. This scale gives us a strong base to grow our businesses without compromising on recurring income. It also provides informed perspectives on the emerging trends related to our customers and tenants, driving us forward on how we can adapt to the future.

We have a strong development pipeline of 50 projects valued at about S$35 billion when completed over the next few years, which will drive our next stage of growth.

Our commitment is firm – we will continue to invest and manage capital for our shareholders and capital partners in quality assets that deliver healthy and sustainable returns.

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

Ng Kee Choe
Chairman

Lim Ming Yan
President & Group Chief Executive Officer

27 February 2015

Year in Brief 2014

January

- CapitaLand China (CLC) secured a prime 57,369 sqm residential site in Sunjia, Jiangbei District, Ningbo for RMB1.12 billion (S$232 million) which is expected to be launch-ready in 1Q 2015.
- CapitaLand, CapitaMalls Asia (CMA) and CapitaMall Trust (CMT) granted options to a consortium comprising Sun Venture Homes Pte. Ltd. and Low Keng Huat (Singapore) Limited to purchase Westgate Tower, the office component of the Westgate integrated development in Jurong Gateway, for S$579.4 million. The consortium exercised the options on 23 January 2014.
- Ascott and CapitaLand Hope Foundation (CHF) donated PHP1.87 million (approximately S$56,000) to World Vision's Typhoon Yolanda Relief and Rehabilitation Operations.

February

- CapitaLand marked its 20th anniversary in China at the Group's Lunar New Year Spring Festival event in Singapore.

March

- CapitaLand placed out its remaining stake of 39.1% in Australand for S$970.1 million.
- 230 CapitaLand properties across 20 countries participated in the WWF's Earth Hour 2014 initiative.
- CLC acquired a 60% interest in two adjacent prime residential sites in the New Southern Area of Chengdu for RMB752 million (S$155 million) to develop 4,600 apartment units to cater to first-time homebuyers and upgraders.
- Ascott secured contracts to manage the 153-unit Somerset Kabar Aye Yangon, its first property in Myanmar, and the 245-unit Somerset Zhuankou Wuhan in China.

April

- CapitaLand announced a voluntary conditional cash offer of S$3.06 billion, with a view to delist CMA.
- Ascott brought its premier Ascott The Residence brand to Tokyo, Japan through a partnership with Mitsubishi Estate Company. The 129-unit Ascott Marunouchi Tokyo is slated to open in 2017.
- Ascott acquired an operating serviced residence located in Sheung Wan in Hong Kong for S$88.8 million. The 55-unit property will be rebranded as Citadines Mercer Hong Kong in 3Q 2014.

May

- CapitaLand increased its offer price for CMA to S$2.35 per share and declared the offer unconditional.
- CapitaLand's stake in CMA crossed 80%.

June

- CapitaLand achieved a 97.1% stake in CMA and CMA was suspended from trading on 10 June.
- CapitaLand held its first Volunteer Day in China where more than 3,000 participants took part in a large-scale charity experiential walk across five Chinese cities and raised total proceeds of RMB513,400.
- Ascott formed a strategic alliance with Vanke to drive its expansion plans in China. It secured contracts from Vanke to manage two properties in Beijing, namely the 157-unit Citadines Daxing Beijing, Ascott's first Citadines-branded serviced residence in Beijing and the 198-unit Somerset Shunyi Beijing. Both properties are slated to open in 2017.
- Ascott secured its first franchise agreements for an operating serviced residence in Vientiane, Laos, to be rebranded as the 116-unit Somerset Vientiane and for the 194-unit Citadines Kuta Beach Bali, Indonesia.
- Ascott crossed its milestone of 35,000 apartment units globally by securing contracts to manage four more Chinese properties with over 900 apartment units in Taiyuan, Beijing, Shanghai and Dalian. Ascott's first serviced residence in Taiyuan, the 170-unit Ascott Taiyuan, is slated to open in 2018, while the 195-unit Ascott Riverside Garden Beijing and the 342-unit Somerset Sunland Shanghai are both slated to open in 2016.

July

- CapitaGreen, the Grade A office building jointly developed by CapitaLand, CapitaCommercial Trust and Mitsubishi Estate Asia, celebrated its topping-out.
- Ascott secured contracts to manage two serviced residence properties in Jeddah, Saudi Arabia. The 52-unit Ascott Sari Jeddah is slated to open in 2015 and the 135-unit Somerset Corniche Jeddah, the first Somerset-branded serviced residence in Saudi Arabia will open in 2016.

August

- CHF pledged a dollar-for-dollar donation raised from a charity concert and presented a $200,000 donation to President's Challenge 2014.
- Ascott secured a contract to manage its first Somerset-branded serviced residence in Gurgaon, India. The 174-unit Somerset Diplomatic Greens Gurgaon is slated to open by 2019.

October

- The completion of d'Leedon, the largest condominium in Singapore, was marked by a world-record setting feat of the longest playable stringed musical instrument ever set up and played. The large-scale completion party was well-attended by about 4,000 residents and their guests.
- Ascott secured a management contract for the 117-unit Ascott Culture Village in Dubai which is slated to open in 2017.
- Ascott entered into a strategic partnership with Quest in Australia to invest up to AUD500 million (approximately S$560 million) to acquire new properties in Australia over the next five years. Ascott also signed an agreement to acquire a 20% stake in Quest.

November

- CapitaLand celebrated its 20th anniversary of operations in China with a gala dinner and a China-Singapore Dialogue with Prime Minister Mr Lee Hsien Loong.
- CHF donated about S$545,000 worth of schoolbags to about 18,000 underprivileged children in Singapore, China, Malaysia and India, under its key annual corporate social responsibility programme "My Schoolbag".
- Ascott crossed its milestone of 12,000 apartment units in China by securing contracts to manage five more properties with 1,000 apartment units in Yinchuan, Changsha, Shenyang and Xi'an, all of which are slated to open in 2018. Ascott is the first international serviced residence owner-operator to operate in these cities.
- Ascott secured a contract to manage its first Citadines Apart'hotel in South Korea. The 468-unit Citadines Haeundae Busan is slated to open in 2015.
- CapitaLand signed a 50-50 joint venture agreement with a subsidiary of Credo Group to build its first integrated development in Jakarta, Indonesia.
- Completion of sale of Westgate Tower.

December

- CLC celebrated the 10th anniversary of Raffles City in China.
- CLC launched Century Park, located in New Southern Area, Chengdu, nine months after its acquisition.
- CapitaLand broke ground for Jewel Changi Airport, an iconic mixed-use development located in Singapore's Changi Airport which it is developing in partnership with Changi Airport Group.
- CapitaGreen obtained temporary occupation permit and secured leasing for 69.3% of its net lettable area.
- Ascott celebrated its 30th anniversary and added 27 properties with more than 4,800 apartment units to its global network in 2014.
- Ascott acquired the 185-unit Ascott Kuningan Jakarta under a conditional agreement with PT Ciputra Adigraha for S$90 million.
- Ascott secured a contract to manage the 222-unit Ascott Waterfront Saigon which is slated to open in 2016.
- CapitaLand entered into a joint venture with Juta Asia Corporation Sdn Bhd to develop a freehold residential land parcel in Kuchai Lama, Kuala Lumpur. The project which is expected to be launch-ready in 2015, is located near Mid Valley City.

Awards & Accolades

Corporate Awards

CapitaLand Limited
Business Excellence

Alpha Southeast Asia Institutional Investor Corporate Awards 2014
- Best Senior Management IR Support
- Most Organised Investor Relations

Euromoney Real Estate Awards 2014
- Best Mixed-Use Developer (Singapore)
- Best Retail Developer (Asia)
- Best Retail Developer (China)
- Best Retail Developer (Global)
- Best Retail Developer (Singapore)

IR Magazine Awards & Conference – South East Asia 2014
Best in sector – Real Estate

IR Magazine's 2014 Global Top 50
Ranked 7th globally for Investor Relations

Sustainability

Alpha Southeast Asia Institutional Investor Corporate Awards 2014
- Best Strategic Corporate Social Responsibility
- Strongest Adherence to Corporate Governance

Building and Construction Authority Awards 2014
Quality Excellence Award – Quality Champion (GoldPLUS)

Channel NewsAsia Sustainability Index

China Committee of Corporate Citizenship and CCTV2
2014 Excellent Corporate China Best Corporate Citizen Award

China Youth Development Foundation
Project Hope 25 years Long-term Contribution Award
CapitaLand Hope Foundation (China)

Corporate Knights
Global 100 Most Sustainable Corporations in the World 2014

FTSE
FTSE4Good Index Series

Global Real Estate Sustainability Benchmark (GRESB) Survey 2014
Regional Sector Leader for Asia/Diversified/Large Cap

MSCI Global Sustainability Indexes

RobecoSAM
Sustainability Yearbook 2014

RobecoSAM and S&P Dow Jones Indices
- Dow Jones Sustainability Asia Pacific Index 2014
- Dow Jones Sustainability World Index 2014

Securities Investors Association (Singapore) Investors' Choice Awards 2014
- Golden Circle Award (Overall Most Transparent Company)
- Most Transparent Company Award (Real Estate) - Winner
- Singapore Corporate Governance Award (Big Cap) - Merit

STOXX® Global ESG Leaders Indices

The 4th China Charity Festival 2014
"Building for Tomorrow, Walk for Hope" 2014 Best Charity Project Award

CapitaLand Singapore (Residential)

Workplace Safety and Health Awards 2014
Workplace Safety and Health Developer Award 2014

CapitaLand China

Economic Observer
Company of Excellence Award of 2014 Most Valuable Commercial Real Estate Developers in China

Shanghai Morning Post
Outstanding Overseas Real Estate Enterprise of the Year

Southern Metropolis Daily
Annual CSR Model Enterprise of 2014

CapitaMalls Asia Limited

China Commercial Real Estate Association
Most Influential Developer in China – 4th consecutive year

The Ascott Limited

Business Traveller China Awards 2014
Best Serviced Residence Brand in China
Ascott The Residence

Business Traveller Asia Pacific Awards 2014
Best Serviced Residence Brand in Asia Pacific
Ascott

Business Traveller UK Awards 2014
Best Serviced Apartment Company
Ascott The Residence – 1st
Citadines Apart'hotel – 2nd

China Hotel Starlight Awards
Best Serviced Residence Operator in China
Ascott China

DestinAsian Readers' Choice Awards 2014
Best Serviced Residence Brand
Ascott The Residence

FinanceAsia Business Travel Poll 2014
Best Serviced-Apartment Chain in Asia
Ascott

Golden Dragon Award, Vietnam Economic Times magazine
Best Serviced Residence
The Ascott Limited

Guide Awards 2013-2014, The Guide magazine, Vietnam Economic Times
Excellent Performance
Somerset Serviced Residence, Vietnam

Travel + Leisure 2014 China Travel Awards
Best Recommended Serviced Apartment
Ascott

TTG China Travel Awards 2014
Best Serviced Residence Operator in China
Ascott China

World Travel Awards 2014
- Singapore's Leading Serviced Apartment Brand
  Ascott The Residence
- France's Leading Serviced Apartment Brand
  Citadines Apart'hotel
- Germany's Leading Serviced Apartment Brand
  Citadines Apart'hotel

11th Golden-Pillow Award of China Hotels
2014 China's Most Popular Serviced Residence Brand
Ascott China

CapitaCommercial Trust

FTSE
FTSE4Good Index Series

Singapore Corporate Awards 2014
- Best Annual Report (REITs & Business Trusts Category) - Gold
- Best Investor Relations (REITs & Business Trusts Category) - Gold

CapitaMall Trust

FTSE
FTSE4Good Global Index

Global Real Estate Sustainability Benchmark (GRESB) Survey 2014
Regional Sector Leader for Asia/Retail/Large Cap

Securities Investors Association (Singapore) Investors' Choice Awards 2014
- Most Transparent Company Award (REITs & Business Trusts Category) - Winner
- Singapore Corporate Governance Award (REITs & Business Trusts Category) - Winner

CapitaRetail China Trust

Singapore Corporate Awards 2014
Best Annual Report (REITs & Business Trusts Category) - Bronze

Ascott Residence Trust

Singapore Corporate Awards 2014
Best Annual Report (REITs & Business Trusts Category) - Silver

Product Excellence

Integrated Developments
Singapore

Asia Pacific Property Award
Best Mixed-Use Architecture Singapore
Westgate

Building and Construction Authority Awards 2014
- Green Mark Gold^{PLUS}
  Mixed Development at 15 Cairnhill Road (Hotel component)
- Green Mark Gold
  Raffles City Singapore

MIPIM Asia Awards
Best Retail Development - Gold
Westgate

China

Architectural Society of China and China Civil Engineering Society
National Excellent Architectural Structure Design 1st Prize
Raffles City Chengdu

Building and Construction Authority Awards 2014
Green Mark Gold Award
CapitaMall Wusheng & Somerset Wusheng Wuhan

U.S. Green Building Council LEED Gold Certification
Raffles City Chengdu

Shopping Malls
Singapore

AsiaOne People's Choice Award
- Best City Shopping Centre
  ION Orchard
- Best Family-Friendly Shopping Centre – Top 3
  IMM Building
- Best Family-Friendly Shopping Centre – Top 3
  Plaza Singapura
- Best Nightspot
  Clarke Quay

Building and Construction Authority Awards 2014
Green Mark Platinum Award
Bugis Junction

ENR Global Best Projects Awards
Best Retail Mixed-Use Project
The Star Vista

2013-2014 A* Design Awards
Golden A* Design Award
Architecture, Building and Structure Design Category
The Star Vista

2014 ICSC Asia Pacific Shopping Center Awards
Design & Development (Renovations/Expansions) – Silver
Plaza Singapura

Awards & Accolades

China

Building and Construction Authority Awards 2014
Green Mark Gold (Provisional)
CapitaMall Taiyanggong, Beijing

China Commercial Real Estate Association
China's Most Progressive Mall Award
CapitaMall Taiyanggong, Beijing

Mall China Golden Mall Awards
- Regional Shopping Mall Award
  CapitaMall Xindicheng, Xi'an
- City Advancement Award
  Minhang Plaza, Shanghai

Malaysia

Building and Construction Authority Awards 2014
Green Mark Gold
The Mines, Selangor

Malaysia Tourism Awards
Best Shopping Mall
(Northern Region)
Gurney Plaza, Penang

Pinnacle International Excellence (PIE) Awards
National Order
Gurney Plaza, Penang

The Best of Malaysia Awards 2014
Best Shopping Experience - Excellence Award
Gurney Plaza, Penang

Serviced Residences
Singapore

Business Traveller Asia-Pacific Awards 2014
Best Serviced Residence in Asia-Pacific
Ascott Raffles Place Singapore – 1st

World Travel Awards 2014
World's Leading Serviced Apartments
Ascott Raffles Place Singapore

China

Business Traveller China Awards 2014
Best Serviced Residence in China
Ascott Huai Hai Road Shanghai

China Hotel Starlight Awards
Best Serviced Apartment in China
Ascott Raffles City Chengdu

Australia

Perth Airport Western Australia Tourism Awards 2014
Deluxe Accommodation – Silver
Citadines St Georges Terrace Perth

Tourism Accommodation Australia (Victoria) Awards for Excellence
Apartment/Suite Accommodation of the Year
Citadines on Bourke Melbourne

Belgium

World Travel Awards 2014
Belgium's Leading Serviced Apartments
Citadines Sainte-Catherine Brussels

Germany

World Travel Awards 2014
Germany's Leading Serviced Apartments
Citadines Arnulfpark Munich

Japan

TripAdvisor Travellers' Choice Awards 2014
- Top 25 Hotels in Japan
  Citadines Karasuma-Gojo Kyoto
- Top 25 Hotels for Romance in Japan
  Citadines Shinjuku Tokyo
- Top 25 Hotels for Romance in Japan
  Citadines Karasuma-Gojo Kyoto

Korea

Korea Herald Readers' Best Brand Awards 2014
International Luxury Premier Serviced Residence
Somerset Palace Seoul

The Korea Times Best Brand Hotels
Best Luxury Premier Serviced Residence
Somerset Palace Seoul

Malaysia

Hospitality Asia Platinum Awards (HAPA) Malaysia Series 2013-2015
Best 3 Serviced Residence in Malaysia
- *Ascott Kuala Lumpur*
- *Somerset Ampang Kuala Lumpur*

TripAdvisor Travellers' Choice Awards 2014
Top 25 Hotels in Malaysia
Somerset Ampang Kuala Lumpur

Philippines

Philippines Property Awards 2014
Best Hotel Architectural Design
Ascott Bonifacio Global City Manila

World Travel Awards 2014
Philippines' Leading Serviced Apartments
Ascott Makati

Thailand

Business Traveller Asia-Pacific Awards 2014
Best Serviced Residence in Asia-Pacific
Ascott Sathorn Bangkok – 3rd

HolidayCheck Quality Selection 2014
Best Rated Hotels
- *Ascott Sathorn Bangkok*
- *Citadines Sukhumvit 11 Bangkok*
- *Somerset Park Suanplu Bangkok*

Vietnam

Chairman, People's Committee of Ho Chi Minh City
Flag for Excellence Collectives
Somerset Chancellor Court
Ho Chi Minh City

Ministry of Industry and Trade, Vietnam
Retrofitted Building Category
7th Energy Efficiency Building Competition
Somerset Chancellor Court
Ho Chi Minh City – 1st

Prime Minister, Socialist Republic of Vietnam
Certificate of Labour Medal – 3rd Class
Somerset Chancellor Court
Ho Chi Minh City

TripAdvisor Travellers' Choice Awards 2014
Top 10 Hotels for Families in Vietnam
Somerset Grand Hanoi

Residential
Singapore

Australian Institute of Architects International Architecture Award
Residential Architecture Award (Commendation)
Urban Suites

Building and Construction Authority Awards 2014
- Universal Design Mark Platinum
  The Interlace
- Universal Design Mark Gold (Design)
  Marine Blue
- Universal Design Mark Gold (Design)
  Sky Vue
- Green Mark Gold^{PLUS}
  Sky Vue

Council on Tall Buildings and Urban Habitat
- Urban Habitat Award
  The Interlace
- Finalist in Asia & Australasia's Best Tall Building Award Category
  The Interlace

National Parks Board
Landscape Excellence Assessment Framework Certification
Sky Habitat

Active, Beautiful and Clean Waters Certification 2014, Public Utilities Board
- *d'Leedon*
- *Sky Habitat*
- *The Interlace*

Singapore Institute of Architects Architectural Design Awards 2014
Residential Projects (Apartments/ Condominiums) Design Award
Urban Suites

Singapore Property Awards 2014
- Heritage (Restoration/ Conservation) Category
  The Wharf Residence
- Residential (High Rise) Category
  The Interlace

Commercial
China

Asia Pacific Property Awards
Best Residential High-Rise Development in China
The Riverfront, Hangzhou

Building and Construction Authority Awards 2014
Green Mark Certified
The Loft, Chengdu

Board of Directors

1	Ng Kee Choe	Chairman & Non-Executive Independent Director
2	Peter Seah Lim Huat	Deputy Chairman & Non-Executive Independent Director
3	Lim Ming Yan	President & Group Chief Executive Officer, Executive Non-Independent Director
4	James Koh Cher Siang	Non-Executive Independent Director
5	John Powell Morschel	Non-Executive Independent Director
6	Simon Claude Israel	Non-Executive Independent Director
7	Euleen Goh Yiu Kiang	Non-Executive Independent Director
8	Tan Sri Amirsham Bin A Aziz	Non-Executive Independent Director
9	Stephen Lee Ching Yen	Non-Executive Independent Director
10	Dr Philip Nalliah Pillai	Non-Executive Independent Director
11	Kee Teck Koon	Non-Executive Independent Director

Ng Kee Choe, 70

Chairman

Non-Executive Independent Director

Bachelor of Science (Honours), University of Singapore

Date of first appointment as a director:	16 April 2010
Date of appointment as Chairman:	1 May 2012
Date of last re-election as a director:	26 April 2013
Length of service as a director (as at 31 December 2014):	4 years 8 months

Board committees served on

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

Present directorships in other listed companies

- PT Bank Danamon Indonesia, Tbk (President-Commissioner)
- AusNet Services (Chairman)

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

- Fullerton Financial Holdings Pte Ltd (Director)
- Tanah Merah Country Club (Chairman)

Directorships in other listed companies held over the preceding three years

- CapitaMalls Asia Limited[1] (Chairman)
- Singapore Airport Terminal Services Limited
- Singapore Exchange Limited

Background and working experience

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

Awards

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

Peter Seah Lim Huat, 68

Deputy Chairman

Non-Executive Independent Director

Bachelor of Business Administration (Honours), University of Singapore

Date of first appointment as a director:	18 December 2001
Date of appointment as Deputy Chairman:	1 January 2009
Date of last re-election as a director:	26 April 2013
Length of service as a director (as at 31 December 2014):	13 years

Board committees served on

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

Present directorships in other listed companies

- DBS Group Holdings Ltd (Chairman)
- StarHub Ltd
- STATS ChipPAC Ltd

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

- DBS Bank Ltd (Chairman)
- DBS Bank (Hong Kong) Limited (Chairman)
- Government of Singapore Investment Corporation Pte Ltd (Director)
- LaSalle College of the Arts Limited (Chairman)
- Singapore Health Services Pte Ltd (Chairman)

Directorship in other listed company held over the preceding three years

- Singapore Technologies Engineering Limited (Chairman)

Background and working experience

- President & CEO of Singapore Technologies Pte Ltd (From 2001 to 2004)
- Joined Overseas Union Bank (OUB) in 1997 and became President & CEO of OUB (From 1991 to 2001)

Awards

- The Distinguished Service Order at the Singapore National Day Awards 2012
- The Public Service Star at the Singapore National Day Awards 1999
- The Public Service Medal at the Singapore National Day Awards 1995

[1] Delisted on 22 July 2014.

Board of Directors

Lim Ming Yan, 52

President & Group Chief Executive Officer
Executive Non-Independent Director
Bachelor of Engineering (Mechanical) and Economics (First Class Honours), University of Birmingham, UK

Date of first appointment as a director:	1 January 2013
Date of last re-election as a director:	26 April 2013
Length of service as a director (as at 31 December 2014):	2 years

Board committees served on

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

Present directorships in other listed companies

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

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

- Building and Construction Authority (Member of the Board)
- Business China (Director)
- CapitaLand China Holdings Pte Ltd (Chairman)
- CapitaLand Hope Foundation (Director)
- CapitaLand Regional Investments Limited (Chairman)
- CapitaLand Singapore Limited (Chairman)
- CapitaMalls Asia Limited[1] (Chairman)
- CTM Property Trust, Steering Committee (Chairman)
- LFIE Holding Limited (Co-Chairman)
- Shanghai YiDian Holding (Group) Company (Director)
- Singapore-China Foundation Ltd. (Governor)
- Singapore Tourism Board (Member of the Board)
- The Ascott Limited (Chairman)

Directorship in other listed company held over the preceding three years

- Central China Real Estate Limited

Background and working experience

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

Awards

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

James Koh Cher Siang, 69

Non-Executive Independent Director
Bachelor of Arts (Honours), University of Oxford, UK
Master of Arts in Philosophy, Political Science and Economics, University of Oxford, UK
Master in Public Administration, Harvard University, USA

Date of first appointment as a director:	1 July 2005
Date of last re-election as a director:	25 April 2014
Length of service as a director (as at 31 December 2014):	9 years 6 months

Board committees served on

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

Present directorship in other listed company

- United Overseas Bank Limited

Present principal commitments (other than directorship in other listed company)

- CapitaLand Hope Foundation (Director)
- Housing & Development Board (Chairman)
- MechanoBiology Institute (Chairman)
- Singapore Golf Association (Chairman)
- Singapore Island Country Club (Chairman)
- Thye Hua Kwan Moral Charities Limited (Director)

Directorships in other listed companies held over the preceding three years

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

Background and working experience

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

Awards

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

[1] Delisted on 22 July 2014.

John Powell Morschel, 71

Non-Executive Independent Director

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

Date of first appointment as a director: 1 February 2010
Date of last re-appointment as a director: 25 April 2014
Length of service as a director (as at 31 December 2014): 4 years 11 months

Board committees served on

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

Present principal commitments

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

Directorships in other listed companies held over the preceding years

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

Background and working experience

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

Simon Claude Israel, 61

Non-Executive Independent Director

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

Date of first appointment as a director: 1 July 2010
Date of last re-election as a director: 25 April 2014
Length of service as a director (as at 31 December 2014): 4 years 6 months

Board committees served on

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

Present directorships in other listed companies

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

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

- Lee Kuan Yew School of Public Policy (Member of the Governing Board)
- Stewardship Asia Centre Pte. Ltd. (Director)
- Westpac Asia Advisory Board (Member)

Directorship in other listed company held over the preceding three years

- Asia Pacific Breweries Limited (Chairman)

Background and working experience

- Executive Director and President of Temasek Holdings (Private) Limited
- Chairman, Asia Pacific of the Danone Group
- President (Household & Personal Care), Asia Pacific of Sara Lee Corporation

Awards

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

Board of Directors

Euleen Goh Yiu Kiang, 60

Non-Executive Independent Director

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

Date of first appointment as a director:	1 October 2011
Date of last re-election as a director:	30 April 2012
Length of service as a director (as at 31 December 2014):	3 years 3 months

Board committees served on

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

Present directorships in other listed companies

- DBS Group Holdings Ltd
- Royal Dutch Shell plc
- SATS Ltd

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

- DBS Bank Ltd (Director)
- DBS Foundation Ltd (Chairman)
- Northlight School (Chairman, Board of Governors)
- Singapore Chinese Girls' School (Chairman)
- Singapore Health Services Pte Ltd (Director)
- Singapore Institute of International Affairs Endowment Fund (Trustee)

Directorships in other listed companies held over the preceding three years

- Aviva plc
- Singapore Airlines Limited
- Singapore Exchange Limited

Background and working experience

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

Awards

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

Tan Sri Amirsham Bin A Aziz, 64

Non-Executive Independent Director

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

Date of first appointment as a director:	30 July 2012
Date of last re-election as a director:	26 April 2013
Length of service as a director (as at 31 December 2014):	2 years 5 months

Board committees served on

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

Present directorship in other listed company

- Bursa Malaysia Berhad

Present principal commitments (other than directorship in other listed company)

- Destination Resorts & Hotels Sdn. Bhd. (Chairman)
- Financial Services Talent Council (Chairman)
- Malaysian Investment Development Authority (Chairman)
- Petroliam Nasional Berhad (Director)
- Pulau Indah Ventures Sdn Bhd (Director)
- RAM Holdings Berhad (Director)
- Samling Global Limited (Director)
- StarChase Motorsports Limited (Director)
- Themed Attractions & Resorts Sdn. Bhd. (Chairman)

Directorship in other listed company held over the preceding three years

- CapitaMalls Asia Limited[1]

Background and working experience

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

Awards

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

[1] Delisted on 22 July 2014.

Stephen Lee Ching Yen, 68

Non-Executive Independent Director

Master of Business Administration, Northwestern University, USA

Date of first appointment as a director: 1 January 2013
Date of last re-election as director: 26 April 2013
Length of service as a director (as at 31 December 2014): 2 years

Board committees served on

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

Present directorships in other listed companies

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

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

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

Background and working experience

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

Awards

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

Dr Philip Nalliah Pillai, 67

Non-Executive Independent Director

Bachelor of Laws (First Class Honours), University of Singapore
LLM (Master of Laws) & SJD (Doctor of Juridical Sciences), Harvard Law School, USA
Advocate & Solicitor, Singapore
Solicitor, England & Wales

Date of first appointment as a director: 25 April 2014
Length of service as a director (as at 31 December 2014): 8 months

Board committees served on

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

Present principal commitment

- Inland Revenue Authority of Singapore (Director)

Background and working experience

- Judge of the Supreme Court of Singapore (From June 2010 to December 2012)
- Judicial Commissioner (From October 2009 to June 2010)
- Member of the Legal Service Commission (From 2007 to 2013)
- Joint Managing Partner, Allen & Overy, Shook Lin & Bok JLV (From 2000 to 2008)
- Partner and Managing Partner, Shook Lin & Bok, Singapore (From 1986 to 2009)
- Over 23 years experience in legal practice specialised in corporate, corporate finance and securities law

Award

- The Public Service Medal at the Singapore National Day Awards 2003

Board of Directors

Kee Teck Koon, 58

Non-Executive Independent Director
Bachelor of Arts, University of Oxford, UK
Master of Arts, University of Oxford, UK

Date of first appointment as a director:	22 September 2014
Length of service as a director (as at 31 December 2014):	3 months

Board committee served on
- Risk Committee (Member)

Present directorship in other listed company
- Raffles Medical Group Ltd

Present principal commitments (other than directorship in other listed company)
- Alexandra Health Fund Limited (Chairman)
- Changi Airports International Pte Ltd (Chairman)
- Mandai Safari Park Holdings Pte. Ltd. (Director)
- NTUC Enterprise Co-operative Limited (Director)
- NTUC Income Insurance Co-operative Limited (Director)
- Wildlife Reserves Singapore Pte Ltd (Director)

Directorships in other listed companies held over the preceding three years
- CapitaCommercial Trust Management Limited (manager of CapitaCommerical Trust) (Chairman)
- CapitaMalls Malaysia REIT Management Sdn. Bhd. (manager of CapitaMalls Malaysia Trust) (Chairman)
- CapitaMall Trust Management Limited (manager of CapitaMall Trust)

Background and working experience
- Retired from his executive positions in CapitaLand Group in July 2009 after 13 years of service

Senior Management

1	Lim Ming Yan	President & Group Chief Executive Officer
2	Arthur Lang	Group Chief Financial Officer
3	Tan Seng Chai	Group Chief Corporate Officer
4	Ng Kok Siong	Chief Corporate Development Officer (with effect from 1 September 2014)
5	Wen Khai Meng	Chief Executive Officer, CapitaLand Singapore
6	Lucas Loh	Chief Executive Officer, CapitaLand China (with effect from 15 September 2014)
7	Jason Leow	Chief Executive Officer, CapitaMalls Asia Limited (with effect from 15 September 2014)
8	Lee Chee Koon	Chief Executive Officer, The Ascott Limited

Note:

[1] Mr Olivier Lim served as Deputy Group Chief Executive Officer and his last day of service was 15 September 2014.

[2] Mr Lim Beng Chee served as Chief Executive Officer, CapitaMalls Asia Limited and his last day of service was 31 December 2014.

Senior Management

Lim Ming Yan
President & Group Chief Executive Officer
CapitaLand Limited

Mr Lim Ming Yan is President & Group Chief Executive Officer of CapitaLand Limited. He is a Director of CapitaLand Limited, as well as Deputy Chairman of CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, CapitaRetail China Trust Management Limited and Ascott Residence Trust Management Limited. He is also the Director of CapitaLand Hope Foundation, the Group's philanthropic arm.

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

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

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

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

Arthur Lang
Group Chief Financial Officer
CapitaLand Limited

Mr Arthur Lang is the Group Chief Financial Officer of CapitaLand Limited. In his current role, he has direct oversight of the functions of treasury, financial reporting and controls, risk management, strategic projects, tax, investor relations and looks after the administrative matters of the internal audit department of CapitaLand. He also recently took over the running of the Fund Management department which oversees the Group's real estate private equity funds business.

Prior to joining CapitaLand, he was at Morgan Stanley having been the co-head of the Southeast Asia investment banking division and the Chief Operating Officer for the Asia Pacific investment banking division.

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

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

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

Tan Seng Chai
Group Chief Corporate Officer
CapitaLand Limited

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

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

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

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

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

Ng Kok Siong
Chief Corporate Development Officer
CapitaLand Limited

Mr Ng Kok Siong is the Chief Corporate Development Officer of CapitaLand Limited. In this role, he is entrusted with developing corporate systems and processes to drive efficiency and productivity. Mr Ng will provide leadership to strategy and corporate planning as well as business technology and information systems to achieve greater organisational effectiveness. He is a member of CapitaLand's Executive Management Council.

He currently serves as a Director and Audit Committee member of two REITs; CapitaRetail China Trust Management Limited (the manager of CapitaRetail China Trust listed on SGX-ST) and CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on Bursa Malaysia Securities Berhad).

Since joining CapitaLand Group in 2005, Mr Ng held various business development and finance positions, including Senior Vice President of CapitaLand Eurasia and Senior Vice President, Strategic Finance. Preceding this appointment as Chief Corporate Development Officer of CapitaLand Limited, Mr Ng was the Chief Financial Officer of CapitaMalls Asia Limited, a role he relinquished subsequent to the privatisation of CapitaMalls Asia Limited.

Prior to joining CapitaLand, Mr Ng held various positions in planning and appraisal, information systems, finance and investment management in Exxon Mobil and Royal Dutch Shell across Asia Pacific and Europe.

Mr Ng graduated with a Degree of Bachelor of Accountancy (Honours) from Nanyang Technological University of Singapore and attended the Tuck Executive Program in Dartmouth College.

Wen Khai Meng
Chief Executive Officer
CapitaLand Singapore Limited

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

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

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

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

Senior Management

Lucas Loh Jen Yuh
Chief Executive Officer
CapitaLand China

Mr Lucas Loh Jen Yuh is the Chief Executive Officer of CapitaLand China. Mr Loh joined CapitaLand Group in September 2001 and has been based in China since August 2004. Prior to his appointment as Chief Executive Officer, he was the Deputy Chief Executive Officer cum Chief Investment Officer as well as Regional General Manager for South China, CapitaLand China. He also held several appointments within the Group, including Managing Director for China of The Ascott Limited.

During his term with Ascott from August 2004 to July 2007, Mr Loh successfully led the company to win top spot in China's prestigious 'Top 100 Serviced Residences' ranking for two consecutive years and grew its business from eight to 22 properties across 10 cities in China. In 2007, he joined CapitaLand China and was instrumental in growing its residential and integrated development businesses in South China. He was also responsible for the company's real estate financial business, including the Raffles City China Fund and CapitaLand China Development Fund with a fund size totaling US$2.3 billion.

Mr Loh started his career in real estate in 1991. Prior to joining CapitaLand, Mr Loh was Associate Director for Private Equity Investment at Temasek Holdings, leading its private equity investment business in the Asia Pacific region.

Mr Loh obtained a Bachelor of Science in Estate Management from the National University of Singapore. He also holds a Master of Business Administration from Oklahoma City University and attended the Advanced Management Program at Harvard Business School in 2013.

Jason Leow
Chief Executive Officer & Executive Director
CapitaMalls Asia Limited

Mr Jason Leow is the Chief Executive Officer and Executive Director of CapitaMalls Asia Limited (CMA). He has been CMA's CEO since 15 September 2014.

Prior to his appointment, Mr Leow was the CEO of CapitaLand China since 2009 and led the China teams in streamlining as well as growing the residential and integrated development businesses, including the development and operations of the eight Raffles City projects in China. Mr Leow started his career with the CapitaLand Group in 1994 and was based in China from 2001 to 2014.

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

Lee Chee Koon
Chief Executive Officer
The Ascott Limited

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

Before Mr Lee joined Ascott in July 2009 as Managing Director for China, he was Vice President in the Office of the President at CapitaLand. Prior to joining CapitaLand in February 2007, Mr Lee was with the Administrative Service in the Singapore Civil Service, serving in various capacities with the Ministry of Trade and Industry, Ministry of Finance and Monetary Authority of Singapore.

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

Corporate Governance Report

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

The Company has received accolades from the investment community for excellence in corporate governance. More details can be found in pages 12 to 15.

This report sets out the corporate governance practices for financial year 2014 (FY 2014) with reference to the Code. Where there are deviations from the principles and guidelines of the Code, an explanation has been provided within this report.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Company is led by a Board which, except for the President & Group Chief Executive Officer (P&GCEO) who is an executive Director, comprises only non-executive independent Directors. Each Director brings to the Board skills, experience, insights and sound judgement, which together with his or her strategic networking relationships, serve to further the interests of the Group. At all times, the Directors are collectively and individually obliged to act honestly and with diligence, and consider the best interests of the Company.

The Board oversees the affairs of the Company and is collectively responsible for the long-term success of the Company. The Board appoints the P&GCEO, who, assisted by Management, is responsible for the day-to-day management and overall operation of the Group's business.

The Board has adopted a Board Charter setting forth the duties and responsibilities of the Board. These include approving the Group's broad policies, strategies and objectives and approving annual budgets, major funding, including capital management proposals, investment and divestment proposals.

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

(a) material acquisitions, investments, disposals and divestments;
(b) share issuances, dividends and other returns to shareholders;
(c) approving the targets for and assessing the performance of the P&GCEO and determining the compensation package for the P&GCEO; and
(d) matters which involve a conflict of interest for a substantial shareholder or a Director.

Various Board Committees, namely Audit Committee (AC), Corporate Disclosure Committee (CDC), Executive Resource and Compensation Committee (ERCC), Finance and Budget Committee (FBC), Investment Committee (IC), Nominating Committee (NC) and Risk Committee (RC) have been constituted with clear written Terms of Reference to assist the Board in the discharge of its functions. The composition of the various Board Committees is set out on page 44 of this Annual Report.

Each of these Board Committees operates under delegated authority from the Board. The Board may form other Board Committees as dictated by business imperatives. Membership of the various Board Committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees.

The Board has adopted a set of internal controls which establishes approval limits for capital expenditure, investments and divestments and debts. Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below those limits to Board Committees and Management. Approval sub-limits are also provided at Management levels to optimise operational efficiency.

The Board meets at least once every quarter, and as required by business imperatives. Prior to the start of each Board meeting, the non-executive Directors meet without the presence of Management. Where exigencies prevent a Director from attending a Board meeting in person, the Articles of Association (Articles) of the Company permit the Director to participate via teleconferencing or video conferencing. The Board and Board Committees may also make decisions by way of resolutions in writing.

A total of seven Board meetings were held in FY 2014. This includes an annual offsite meeting with senior management to strategise and plan the Group's longer term strategy. A table showing the attendance record of Directors at Board and Board Committees meetings during FY 2014 is set out on page 45 of this Annual Report. The Company believes in the manifest contribution of its directors beyond attendance at formal Board and Board Committees meetings. To judge a director's contributions based on his attendance at formal meetings alone would not do justice to his overall contributions, which include being accessible by Management for guidance or exchange of views outside the formal environment of Board and Board Committees meetings.

The Company provides suitable training for Directors. Upon appointment, each Director is provided with a formal letter of appointment and will also be given a copy of the Directors' Manual (which includes information on a broad range of matters relating to the role of a director). All Directors on appointment will be required to undertake an induction programme to familiarise themselves with matters relating to the Company's strategy and business activities. The Company also provides training for first-time directors in areas such as accounting, legal and industry-specific knowledge as appropriate.

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

Board Composition and Guidance

Principle 2:

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

The Board, through the NC, reviews from time to time the size and composition of the Board. The NC seeks to ensure that the size of the Board is appropriate in facilitating effective decision-making taking into account the scope and nature of the Group's operations. The NC also aims to maintain a diversity of expertise, skills, experience, gender and knowledge of the industry and other attributes among the Directors.

The Board comprises individuals who are business leaders and professionals with financial, banking, real estate, legal, investment and accounting backgrounds. The varied backgrounds of the Directors enable Management to benefit from their external, diverse and objective perspectives on issues brought before the Board. The NC is of the view that the current composition of the Board provides an appropriate balance and diversity of skills, experience, gender and knowledge of the industry and that the Directors, as a group, have the necessary core competencies in accounting, finance, business, management, industry knowledge and strategic planning. In FY 2014, the Board included two women, Ms Euleen Goh and Mrs Arfat Selvam. Mrs Selvam retired from the Board at the annual general meeting (AGM) on 25 April 2014 and did not seek re-election.

The Board presently comprises 11 Directors, out of whom 10 are non-executive independent Directors. Profiles of the Directors are set out on pages 16 to 22 of this Annual Report.

The Board, taking into account the views of the NC, assesses the independence of each Director in accordance with the guidance in the Code. An independent director is one who has no relationship with the Company, its related corporations, its shareholders who hold 10% or more of the voting shares of the Company or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement.

The non-executive Directors have provided declarations of their independence which were deliberated upon by the NC and the Board. On the basis set out above and on the basis of the declarations of independence provided by the Directors, Mr Lim Ming Yan, the Company's P&GCEO, is the only non-independent Director. All other members of the Board are considered to be independent Directors.

The Board has examined the different relationships identified by the Code that might impair the Directors' independence and objectivity. In particular, the Board noted that Mr Ng Kee Choe and Tan Sri Amirsham served on the board of CapitaMalls Asia Limited (CMA) (a subsidiary of the Company) as, respectively, its independent chairman and director until its delisting on 22 July 2014. Mr Peter Seah and Ms Euleen Goh are, respectively, the chairman of the board of directors and director of DBS Bank and Mr James Koh is a director of United Overseas Bank (UOB). Each of Mr Ng, Mr Seah and Mr Stephen Lee served as member of Temasek Advisory Panel during FY 2014 until 31 December 2014. Mr Kee Teck Koon also held the appointment of corporate advisor at Temasek International Advisors.

The Board considers that the payments made to DBS Bank and UOB and received from CMA are not significant compared with the revenues of the Group, or the overall payments made by the Group to its banks, in FY 2014. In addition, the services received by the Group from each of DBS Bank and UOB were not material in the context of all the financial advisory and related services that the Group had received from its banks.

The Board has also considered whether each of Mr Ng, Tan Sri Amirsham, Mr Seah, Ms Goh, Mr Koh, Mr Lee and Mr Kee had demonstrated independence of character and judgement in the discharge of his or her responsibilities as a Director of the Company, and is satisfied that each of Mr Ng, Tan Sri Amirsham, Mr Seah, Ms Goh, Mr Koh, Mr Lee and Mr Kee has acted with independent judgement. Each of them has also recused himself or herself from any transactions that might give rise to the conflict of interest. The Board therefore considers that the relationships and circumstances set out above do not affect their ability and willingness to act independently.

Mr Seah has served on the Board for more than 13 years and Mr Koh more than nine years and the Code recommends that the independence of any director who has served beyond nine years be subject to rigorous review. The Board has determined that each of Mr Seah and Mr Koh has continued to demonstrate strong independence in character and judgement in the manner in which he has discharged his responsibilities as a Director of the Company. Each of them has continued to express his individual viewpoints, debated issues and objectively scrutinised and challenged Management. Each of them has sought clarification and amplification as he considered necessary, including through direct access to the Group's employees and external advisors.

Chairman and Chief Executive Officer

Principle 3:

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

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

The non-executive independent Chairman, Mr Ng Kee Choe, is responsible for leading the Board and ensuring that the Board is effective on all aspects of its role. The P&GCEO, Mr Lim Ming Yan, has full executive responsibilities over the business directions and operational decisions of the Group and is responsible for implementing the Group's strategies and policies and for conducting the Group's business. The Chairman and the P&GCEO are not immediate family members. The separation of the roles of the Chairman and the P&GCEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management and facilitate robust deliberations on the Group's business activities and the exchange of ideas and views to help shape the strategic process.

The Chairman is responsible for leadership of the Board and for creating the conditions for overall Board, Board Committee and individual Director effectiveness. This includes setting the agenda of the Board in consultation with the P&GCEO and promoting constructive engagement among the Directors as well as between the Board and the P&GCEO on strategic issues.

The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the P&GCEO and Management on strategies and business operations. He also engages with other members of the senior leadership regularly.

The scope and extent of the Chairman and the Board's responsibilities have been expanding due to the increased focus on corporate governance and risk management and rising expectations that board chairmen have a good understanding about their companies and the markets in which they compete. Given the increased demands on the Board and the Chairman, the Chairman in particular has spent and continues to spend time in the Company and is actively involved in leading the Board and engaging with and guiding Management in strategic issues and providing support and advice to the P&GCEO.

Board Membership

Principle 4:

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

The Board has established the NC which makes recommendations to the Board on all appointments to the Board and Board Committees. The NC seeks to ensure that the Board and Board Committees in the Group comprise individuals who are best able to discharge their responsibilities as Directors or, as the case may be, Board Committee members, having regard to the skills required and the skills represented on the Board or the relevant Board Committee.

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

In performing its role, the NC is guided by its Terms of Reference, in particular, the NC:

(a) recommends candidates for appointments to the Company's Board and Board Committees;
(b) makes recommendations to the Board on the succession plans for Directors and the appointment of and succession plans for the P&GCEO;
(c) reviews and recommends the development of a process for evaluation of the performance of the Board, Board Committees and Directors;
(d) reviews and recommends the training and professional development programmes for the Board;
(e) considers annually, and as and when circumstances require, if a Director is independent, and provides its views to the Board for consideration; and
(f) reviews and decides if a Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments.

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

The Company believes that Board renewal is a necessary and continual process, for good governance and maintaining relevance to the changing needs of the Group's business. The Board has established the guideline that a non-executive Director will serve a maximum of two three-year terms and thereafter by exception on the recommendation of the NC.

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 evolving needs of the Company and its business.

Election of Board members is the prerogative and right of shareholders. The Company's Articles require one-third of its Directors (prioritised by length of service since previous re-election or appointment and who are not otherwise required to retire) to retire and subject themselves to re-election by shareholders at every AGM of the Company (one-third rotation rule). In addition, any newly appointed Director (whether as an additional Director or to fill a casual vacancy) will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

In regard to the re-appointment/re-election of existing Directors each year, the NC advises the Board of those Directors who are retiring in accordance with the provisions of the Articles and the Companies Act. The NC makes recommendations to the Board as to whether the Board should support the re-appointment/re-election of a Director who is retiring. In making recommendations, the NC will undertake a process of review of the retiring Director's performance during the period in which the Director has been a member of the Board.

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

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

Board Performance

Principle 5:
There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

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

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

Each year, the NC undertakes a process to evaluate the effectiveness of the Board as a whole and the Board Committees. An external consultant was engaged to facilitate the evaluation process for the Board's performance in FY 2014. The consultant is independent of and is not related to the Company or any of its Directors. As part of the process, questionnaires were sent by the consultant to the Directors and Senior Management and the findings were evaluated by the consultant and reported, together with the recommendations of the consultant, to the Chairman of the Board and the Chairman of the NC. The findings and the recommendations of the consultant were reviewed by the Board. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

Access to Information

Principle 6:

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

The Company recognises the importance of providing the Board with timely, adequate and relevant information prior to Board meetings, and as and when the need arises.

As a general rule, Board papers are sent to Board members at least five working days prior to the Board meeting to allow the members to prepare for the Board meetings and to enable the discussions to focus on questions that the members may have. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed.

In line with the Company's commitment to limit paper wastage and reduce its carbon footprint, the Company no longer provides hard copy Board papers and Directors are instead provided with tablet devices to enable them to access and read Board and Board Committee papers prior to and at meetings. This initiative also enhances information security as the papers are downloaded to tablet devices through an encrypted channel.

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

Where appropriate, informal meetings are also held for Management to brief Directors on prospective deals and potential developments in the early stages before formal Board approval is sought.

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

The AC also meets the internal auditors and external auditors separately at least once a year, without the presence of the P&GCEO and Management, and has unfettered access to any information that it may require.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7:

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

Level and Mix of Remuneration

Principle 8:

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

Disclosure on Remuneration

Principle 9:

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

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

The Board has established the ERCC to oversee executive compensation and development in the Company. The ERCC sets appropriate remuneration policies and designs competitive compensation packages with a focus on long term sustainability of business and long term shareholders' return. The ERCC aims to build capable and committed management teams, through competitive compensation and progressive policies which are aligned to the long-term interests and risk policies of the Group, and which can attract, motivate and retain a pool of talented executives to drive the growth of the Company. The ERCC thus plays a crucial role in helping to ensure that the Company is able to attract, motivate and retain the best talents to drive the Group's business forward.

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

The ERCC is guided by its Terms of Reference. In particular, the ERCC recommends to the Board for approval a general framework of remuneration for the non-executive Directors and key management personnel of the Group and recommends to the Board for approval the specific remuneration package for each key management personnel. The ERCC also recommends to the Board for endorsement the specific remuneration package for each Director.

The ERCC conducts, on an annual basis, a succession planning review of the P&GCEO and key management positions in the Company. Potential candidates for leadership succession are reviewed for their readiness in the immediate, medium and longer term.

Remuneration policy for key management personnel

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

Business Alignment

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

Motivate Right Behaviour

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

Fair & Appropriate

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

Effective Implementation

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

Corporate Governance Report

The Board sets the remuneration policies in line with the Company's business strategy and approves the executive compensation framework based on the key principle of linking pay to performance. The Board has access to independent remuneration consultants to advise as required.

In FY 2014, the ERCC appointed an independent remuneration consultant Carrots Consulting Pte Ltd to provide professional advice on Board and executive remuneration. The consultant is not related to the Company or any of its Directors. In its deliberations, the ERCC took into consideration industry practices and norms in compensation.

Executive Remuneration for Key Management Personnel

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

A. Fixed Component:

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

B. Variable Cash Component:

The variable cash component comprises the Balanced Scorecard Bonus Plan and Economic Value Added-based Incentive Plan (EVA-based Incentive Plan or EBIP).

Balance Scorecard Bonus Plan

The Balanced Scorecard Bonus Plan is linked to the achievement of annual performance targets for each key management personnel as agreed at the beginning of the financial year with the Board and/or the P&GCEO as the case may be.

Performance outcomes aligned to the key business performance measures and strategic goals of the Group are cascaded down throughout the organisation using the Balanced Scorecard framework, thereby creating greater alignment between performance of the Group, Business Units and the individual employees. These are in the form of both quantitative and qualitative measures which are aligned to the Group's business strategy.

In determining the payout quantum for the key management personnel under the plan, the ERCC considers overall business performance, individual performance and affordability.

EVA-based Incentive Plan

The EBIP is based on sharing a portion of the economic value created with employees, which varies according to the actual achievement of residual economic profit.

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

Under this plan, the bonus declared to each EBIP participant for the current year is added to the participant's balance carried forward from the previous year, upon which one-third of the resulting total amount is paid out in cash, with the remaining two-thirds to be carried forward to the following year. Amounts in each participant's EBIP account are at risk because a significant reduction in EVA in any year may result in retraction (performance clawback) of the EBIP bonus declared in preceding years. The EBIP encourages key management personnel to work for sustained EVA generation and to take actions that are aligned with the longer term interests of shareholders.

In determining the EBIP bonus declared to each participant, the ERCC considers the overall Group performance, individual performance and relevant market remuneration benchmarks.

Based on the ERCC's assessment that the actual performance of the Group in FY 2014 has not met the pre-determined EVA targets, the resulting bonus declared under the EBIP has been adjusted accordingly to reflect the performance level.

C. Share-based Components:

Share awards were granted in FY 2014 pursuant to the CapitaLand Performance Share Plan 2010 and the CapitaLand Restricted Share Plan 2010 (the Share Plans) approved and adopted by the shareholders of the Company at the Extraordinary General Meeting held on 16 April 2010.

For FY 2014, the total number of shares in the awards granted under the Share Plans did not exceed the yearly limit of 1% of the total number of issued shares (excluding treasury shares). The obligation to deliver the shares is expected to be satisfied out of treasury shares.

Details of the Share Plans as well as awards granted under the Share Plans are set out in the Share Plans section of the Directors' Report from pages 98 to 101 and the Equity Compensation Benefits section of the Notes to the FY 2014 Financial Statements from pages 168 to 174.

Performance Share Plan

During FY 2014, the Company granted awards which are conditional on targets set for a performance period, currently prescribed to be a three-year performance period. A specified number of shares will only be released to the recipient at the end of the qualifying performance period, provided that minimally the threshold targets are achieved. An initial number of shares (baseline award) is allocated according to the following performance conditions:

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

The above performance measures have been selected as key measurements of wealth creation for shareholders. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award can be released. For awards granted in 2012 and 2013, the maximum is 175% of the baseline award. For awards granted in 2014, the maximum will be 170% of the baseline award.

The Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for Performance Shares awards granted based on the performance period from FY 2012 to FY 2014.

Restricted Share Plan

During FY 2014, the Company granted awards which are conditional on targets set for a performance period, currently prescribed to be a one-year performance period. A specified number of shares will only be released to the recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved. An initial number of shares (baseline award) is allocated according to the following performance conditions:

- Operating Earnings Before Interest and Tax of the Group; and
- Operating Return on Equity of the Group.

The above performance measures have been selected as they are the key drivers of business performance and are aligned to shareholder value. 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, up to 150% of the baseline award can be delivered. Once the final number of shares has been determined, it will be released in equal instalments over a vesting period of three years. Recipients can receive fully paid shares, or by exception, their equivalent cash value or combinations thereof, at no cost.

The Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for Restricted Shares awards granted based on the performance period for FY 2014.

D. Market-related Benefits:

The benefits provided are comparable with local market practices.

The Code requires a company to disclose the names and remuneration of at least the top five key management personnel (who are not also Directors or the P&GCEO) of the Company. Besides the P&GCEO who is an executive director, the Company considers the former Group Deputy CEO Mr Olivier Lim Tse Ghow, the Group Chief Financial Officer (GCFO) Mr Arthur Lang Tao Yih, the Group Chief Corporate Officer Mr Tan Seng Chai, and the Chief Corporate Development Officer Mr Ng Kok Siong as its key management personnel for FY 2014.

The remuneration of the Chief Executive Officers of the Company's unlisted subsidiaries is not disclosed as the Company believes such disclosure would be disadvantageous to the Group's business interests given the highly competitive conditions in the real estate industry where poaching of executives is commonplace.

The details of the remuneration for the P&GCEO are provided in the Directors' Remuneration section on pages 46 to 47 of this Report. The details of the remuneration of other key management personnel in bands of S$250,000 and a breakdown in percentage terms are provided in the Key Management Personnel's Remuneration section on page 48 of this Report.

The ERCC seeks to ensure that remuneration paid to the P&GCEO and key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets endorsed by the ERCC and approved by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short- and longer-term quantifiable objectives. A pay-for-performance alignment study was conducted by the appointed independent remuneration consultant and reviewed by the ERCC; the findings indicate that there has been adequate pay-for-performance alignment for the Group in both absolute and relative terms against a peer group of large listed companies over a multi-year period.

For FY 2014, there was no termination, retirement or post-employment benefits granted to Directors, the P&GCEO and key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for the key management personnel.

There were no employees of the Company and its subsidiaries who were immediate family members of a Director or the P&GCEO during FY 2014. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent.

Non-Executive Director Remuneration

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

The remuneration framework for the non-executive Directors remains unchanged from that for the year ended 31 December 2013 except for the fees payable to the Chairman who will receive an all-inclusive fee of S$750,000. There will be no separate board retainer fee, committee fee or attendance fee for the Chairman.

In arriving at the proposed fee of S$750,000 for the Chairman, the Board (at the recommendation of the ERCC, with the Chairman abstaining from both the Board and the ERCC's deliberations, respectively) took into account:

(a) the proactive and significant leadership role played by the Chairman on the Board, and in providing clear oversight and guidance to Management;

(b) the increased amount of time the Chairman spends on the Company's matters, including input and guidance on strategic issues and corporate governance as well as supporting Management in maintaining communications with stakeholders;

(c) the familiarity which the Chairman has with Management, the top executives and their work and development; and

(d) the directors' fee structure in comparable listed companies in Singapore that have independent chairmen with similar roles and responsibilities.

The fee structure for non-executive Directors for FY 2014 is as follows:

	S$
Basic Retainer Fee	
Board Chairman	750,000
Deputy Board Chairman	137,000
Director	78,000
Fee for appointment to Audit Committee and Investment Committee	
Committee Chairman	60,000
Committee member	25,000
Fee for appointment to Executive Resource & Compensation Committee and Risk Committee	
Committee Chairman	35,000
Committee member	22,000
Fee for appointment to any other Board Committee	
Committee Chairman	28,000
Committee member	20,000
Attendance fee for Board/Board Committee meetings (per meeting)	
(a) Attendance in person	
Board meeting	
Local	4,000
Overseas	7,000
Board Committee meeting	
Local	2,200
Overseas	7,000
(b) Attendance via conference telephone or similar communication equipment	
Local and Overseas	1,700
Attendance fee in person or otherwise for project committee meetings/verification meetings/other meetings where attendance of Directors is required (per meeting)	
Local and Overseas	1,000

Non-executive Directors who served on the Board during FY 2014 will receive 70% of their total Directors' fees in cash and 30% in the form of share awards from the Company. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. In order to encourage the alignment of interests of the non-executive Directors with the interests of shareholders, a non-executive Director is required to hold shares in the Company worth at least one year of his basic retainer fee or the total number of shares awarded under the above policy, whichever is lower, at all times during his Board tenure. For the Chairman, the shares are required to be held for at least two years from the date of award, and the two-year moratorium shall continue to apply in the event of retirement from the Board. Details of the Directors' remuneration are provided in the Directors' Remuneration section on pages 46 to 47 of this Report. The P&GCEO as executive Director does not receive Director's fees. Provision of Directors' fees for non-executive Directors is subject to the approval of shareholders at the AGM.

Compensation Risk Assessment

Under the Code, the compensation system shall take into account the risk policies of the Group, be symmetric with risk outcomes and be sensitive to the time horizon of risks. The ERCC has conducted a Compensation Risk Assessment to review the various compensation risks that may arise and introduce mitigating policies to better manage risk exposures identified. The ERCC is satisfied that there is adequate risk mitigation features in the Group's compensation system, and will continue to undertake periodic reviews of compensation-related risks.

(C) ACCOUNTABILITY AND AUDIT

Accountability

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

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

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

Risk Management and Internal Controls

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

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

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

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

The RC is guided by its Terms of Reference, in particular, the RC:

(a) makes recommendations to the Board on risk appetite and associated risk parameters including risk limits;
(b) reviews and assesses compliance with and the adequacy of the risk management framework, policies and strategies to identify, measure, manage and report risks;
(c) oversees Management in the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that are consistent with the Company's approved risk appetite and parameters and report to the Board on its decisions on any material matters concerning the aforementioned;
(d) makes the necessary recommendations to the AC and the Board such that an opinion and comment regarding the adequacy and effectiveness of the risk management and internal control systems can be made by the Board in the annual report of the Company in accordance with the Listing Manual of Singapore Exchange Securities Trading Limited (the Listing Manual) and the Code; and
(e) considers and advises on risk matters referred to it by Management or the Board including reviewing and reporting to the Board on any material breaches of approved risk limits, any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

The Group adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risk in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually. A team comprising the P&GCEO and other key management personnel is responsible for directing and monitoring the development, implementation and practice of ERM across the Group.

The Group consistently seeks to improve and strengthen its ERM Framework. As part of the ERM Framework, Management, amongst other things, undertakes and performs a Risk and Control Self-Assessment (RCSA) process. As a result of the RCSA process, the Group produces and maintains a risk register which identifies the material risks it faces and the corresponding internal controls it has in place to manage or mitigate those risks. The material risks are reviewed annually by the RC, the AC and the Board. The RC also reviews the approach of identifying and assessing risks and internal controls in the risk register. The system of risk management and internal controls is reviewed and, where appropriate, refined regularly by Management, the RC, the AC and the Board.

The Group has established an approach on how risk appetite is defined, monitored and reviewed across the Group. Approved by the Board, the Group Risk Appetite Statement (RAS), incorporating the risk limits, addresses the management of material risks faced by the Group. Alignment of the Group's risk profile to the Group RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for management) put in place across the Group.

More information on the Group's ERM Framework can be found in the Enterprise Risk Management section on pages 49 to 51 of this Annual Report.

Internal auditors and external auditors conduct audits that involve testing the effectiveness of the material internal controls in the Group addressing financial, operational, compliance and information technology risks. This includes 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 auditors and external auditors are reported to and reviewed by the AC. The adequacy and effectiveness of the measures taken by Management in response to the recommendations made by the internal auditors and external auditors are also reviewed by the AC.

The Board has received assurance from the P&GCEO and the GCFO that:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2014 give a true and fair view of the Group's operations and finances; and

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

In addition, in FY 2014, the Board has received quarterly certification by Management on the integrity of financial reporting and the Board has provided a negative assurance confirmation to shareholders as required by the Listing Manual.

Based on the ERM Framework established and the reviews conducted by Management and both the internal auditors and external auditors, as well as the assurance from the P&GCEO and the GCFO, the Board concurs with the recommendation of the AC and is of the opinion, that the Group's system of risk management and internal controls addressing material financial, operational, compliance and information technology risks is adequate and effective to meet the needs of the Group in its current business environment as at 31 December 2014.

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

Audit Committee

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

All the members of the AC, including the Chairman of the AC, are non-executive independent Directors. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains.

The AC has explicit authority to investigate any matter within its terms of reference. Management is required to provide the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal auditors and external auditors and full discretion to invite any Director or executive officer to attend its meetings. Similarly, both the internal auditors and external auditors are given unrestricted access to the AC.

The AC is guided by its Terms of Reference, in particular, the AC:

(a) reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
(b) in conjunction with the assessment by the RC, assesses the adequacy and effectiveness of the internal control (including financial, operational, compliance and information technology controls) and risk management systems established by Management to manage risks;
(c) reviews the effectiveness of the Company's internal audit function;
(d) reviews the scope and results of the external audit and also assesses the cost effectiveness, the independence and objectivity of the external auditors;
(e) makes recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration of the external auditors;
(f) reviews and approves processes to regulate interested person transactions and ensure compliance with the applicable regulations, in particular, the requirement that they are on normal commercial terms and not prejudicial to the interests of the Company and its shareholders; and
(g) reviews the policy and arrangements by which employees of the Company and any other persons may, in confidence, report suspected fraud or irregularity or suspected infringement of any laws or regulations or rules or, raise concerns about possible improprieties in matters of financial reporting or other matters with a view to ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.

In order to maintain the independence of the external auditors, the Company has developed policies regarding the types of non-audit services which the external auditors may provide to the Group and the related approval processes. The AC has reviewed the nature and extent of non-audit services provided by the external auditors during FY 2014 and the fees paid for such services. The AC is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided confirmation of their independence to the AC.

In FY 2014, the AC also met with the internal auditors and external auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors. Where relevant, the AC makes reference to the best practices and guidance in the Guidebook for Audit Committee in Singapore and the practice directions issued from time to time in relation to Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

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

Internal Audit

Principle 13:

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

The Company has an Internal Audit Department (CL IA) which reports directly to the AC and administratively to the GCFO. 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 has unfettered access to the Group's documents, records, properties and employees, including access to AC.

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 International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIA and has incorporated these Standards into its audit practices.

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

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

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14:

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

The Company is committed to treating all its shareholders fairly and equitably. To assist shareholders, investors, analysts and other stakeholders in their investment decisions, the Company makes disclosures on a timely and consistent basis on its performance and any changes which would likely materially affect the price or value of the Company's shares.

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

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

Communication with Shareholders

Principle 15:

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

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

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

The Board has established the CDC and a majority of the members, including the Chairman, are non-executive independent Directors. The CDC assists the Board in the discharge of its function to meet the legal and regulatory obligations arising under the laws and regulations of Singapore relating to best practices in the corporate disclosure and compliance process.

More information on the Company's investor and media relations with shareholders can be found in the Investor & Media Relations section on pages 52 to 53 of this Annual Report.

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

Conduct of Shareholder Meetings

Principle 16:
Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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

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

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. To ensure transparency in the voting process and better reflect shareholders' interest, the Company conducts electronic poll voting for shareholders/proxies present at the meeting for all the resolutions proposed at the general meetings. Votes cast, for or against and the respective percentages, on each resolution will be tallied and displayed 'live-on-screen' to shareholders immediately at the general meetings.

The total number of votes cast for or against the resolutions and the respective percentages are also announced after the general meetings via SGXNet. Voting in absentia and by email may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised and legislative changes are effected to recognise electronic voting.

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

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

(E) ADDITIONAL INFORMATION

Additional Committees

Apart from the AC, CDC, ERCC, NC and RC, the Company has also set up the IC and the FBC. A majority of the members of the IC and the FBC, including the Chairman, are non-executive independent Directors.

The IC is guided by its Terms of Reference, in particular, the IC reviews proposals on and, where it considers appropriate, approves, proposals on investments, divestments, credit proposals, budget variance and award of contracts for development expenditure, within the authorities/limits approved from time to time by the Board.

The FBC is guided by its Terms of Reference, in particular, the FBC:

(a) reviews the Group's annual budget and financial policies. The annual budget, after being endorsed by the FBC, is subject to approval by the Board;
(b) reviews the Group's full year forecast and three-year outlook (if any); and

(c) reviews the Group Finance Manual which contains policies, procedures and guidelines such as financial authority limits, capital and liquidity management, interest rate and foreign exchange management. The Group Finance Manual and any updates, after being endorsed by the FBC, is subject to approval by the Board.

Dealings in Securities

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

Directors and employees of the Group are also prohibited from dealing in securities of other relevant listed entities in the Group while in possession of unpublished price-sensitive information of these other listed entities by virtue of their status as Directors and/or employees. Under these guidelines, they are also directed to refrain from dealing in the relevant securities on short-term considerations. They are also regularly reminded of the laws against insider trading.

Code of Business Conduct

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

The policies and guidelines are published on the Company's intranet, which is accessible by all employees.

The policies it has implemented aim to help detect and prevent occupational fraud in mainly three ways.

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

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

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

Bribery and Corruption Prevention Policy

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

The Company's zero tolerance policy against bribery and corruption extends to its business dealings with third-parties. Pursuant to such policy, the Company requires that certain agreements of the Group incorporate anti-bribery and anti-corruption provisions.

Whistle-Blowing Policy

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

Corporate Governance Report

Composition of Board and Board Committees in 2014

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

Denotes:
C – Chairman
M – Member

Notes:
1 Appointed as Member of Investment Committee and stepped down as Chairman of Risk Committee, on 25 April 2014.
2 Stepped down as Director, Member of Audit Committee, Corporate Disclosure Committee and Nominating Committee at the Annual General Meeting on 25 April 2014.
3 Stepped down as Director, Member of Finance and Budget Committee and Investment Committee at the Annual General Meeting on 25 April 2014.
4 Appointed as Chairman of Risk Committee on 25 April 2014.
5 Appointed as Director, Member of Audit Committee and Corporate Disclosure Committee at the Annual General Meeting on 25 April 2014.
6 Appointed as Director on 22 September 2014 and appointed as Member of Risk Committee on 1 November 2014.

Attendance Record of Meetings of The Board and Board Committees in 2014

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

Notes:
1 Appointed as Member of Investment Committee and stepped down as Chairman of Risk Committee, on 25 April 2014.
2 Stepped down as Director, Member of Audit Committee, Corporate Disclosure Committee and Nominating Committee at the Annual General Meeting on 25 April 2014.
3 Stepped down as Director, Member of Finance and Budget Committee and Investment Committee at the Annual General Meeting on 25 April 2014.
4 Appointed as Chairman of Risk Committee on 25 April 2014.
5 Appointed as Director, Member of Audit Committee and Corporate Disclosure Committee at the Annual General Meeting on 25 April 2014.
6 Appointed as Director on 22 September 2014 and as Member of Risk Committee on 1 November 2014.

Corporate Governance Report

Directors' Remuneration Table for the Financial Year Ended 31 December 2014

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		Total $
				Cash Component $	Shares component $	
Payable by Company: Executive Director						
Lim Ming Yan	1,134,300.00	1,593,895.31	1,559,889.83	–	–	4,288,085.14
Sub-Total 1	**1,134,300.00**	**1,593,895.31**	**1,559,889.83**	**–**	**–**	**4,288,085.14**
Non-Executive Directors						
Ng Kee Choe	–	–	–	525,000.00	225,000.00	750,000.00[4]
Peter Seah Lim Huat[4]	–	–	–	259,900.00	–	259,900.00
James Koh Cher Siang	–	–	–	143,896.20	61,669.80	205,566.00
Arfat Pannir Selvam[4]	–	–	–	60,281.00	–	60,281.00
Prof Kenneth Stuart Courtis[4]	–	–	–	68,992.00	–	68,992.00
John Powell Morschel	–	–	–	125,160.00	53,640.00	178,800.00
Simon Claude Israel	–	–	–	137,620.00	58,980.00	196,600.00
Euleen Goh Yiu Kiang	–	–	–	145,810.00	62,490.00	208,300.00
Tan Sri Amirsham Bin A Aziz	–	–	–	159,798.80	68,485.20	228,284.00
Stephen Lee Ching Yen	–	–	–	116,270.00	49,830.00	166,100.00
Dr Philip Nalliah Pillai[5]	–	–	–	78,015.00	33,435.00	111,450.00
Kee Teck Koon[6]	–	–	–	26,821.90	11,495.10	38,317.00
				1,847,564.90[3,4]	625,025.10[3,4]	
Sub-Total 2	**–**	**–**	**–**	**2,472,590.00[3,4]**		**2,472,590.00**
Paid/Payable by Subsidiaries:						
Ng Kee Choe	–	–	–	145,838.72[7]	–	145,838.72
Lim Ming Yan	–	–	–	90,346.78[8]	–	90,346.78
Arfat Pannir Selvam	–	–	–	81,088.72[7]	–	81,088.72
Tan Sri Amirsham Bin A Aziz	–	–	–	86,435.49[7]	–	86,435.49
Kee Teck Koon	–	–	–	69,649.00[9]	–	69,649.00
				473,358.71	–	
Sub-Total 3	**–**	**–**	**–**	**473,358.71**		**473,358.71**
Total for Directors of the Company	**1,134,300.00**	**1,593,895.31**	**1,559,889.83**	**2,945,948.71**		**7,234,033.85**

Directors' Remuneration Table for the Financial Year Ended 31 December 2014 (continued)

1 The amounts disclosed include bonuses earned under the Economic Value Added ("EVA") and the other incentive plans which have been accrued for in financial year 2014. EVA bonus accrued during the year is added to the bonus account and 1/3 of the accumulated balance in the bonus account would typically be paid out annually. Any negative EVA bonus declared will result in an offset against the current EVA bonus balance.

2 For financial year 2014, contingent awards of shares under the CapitaLand Restricted Share Plan 2010 ("RSP") and the CapitaLand Performance Share Plan 2010 ("PSP") were granted to Mr Lim Ming Yan. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting periods under RSP and PSP. The contingent awards of shares figures disclosed are based on the fair value of the shares comprised in the baseline awards under the RSP and PSP at the time of grant. There was no contingent award of RSP or PSP to the other Directors.

3 The Directors' fees will only be paid upon approval by the shareholders at the forthcoming Annual General Meeting ("AGM") of the Company.

4 If approved, the aggregate amount of Directors' fees of S$2,472,590 will be paid as to S$1,847,564.90 in cash, and S$625,025.10 in the form of share awards under the RSP with any residual balance to be paid in cash. The remuneration framework for the non-executive Directors remains unchanged from that for the year ended 31 December 2013 except for the fees payable to the Chairman who will receive an all-inclusive fee of S$750,000. There will be no separate board retainer fee, committee fee or attendance fee for the Chairman. Directors' fees of the non-executive Directors will be paid as to about 70% in cash and about 30% in the form of share awards under the RSP, save in the case of Mr Peter Seah Lim Huat (who is retiring from the Board at the conclusion of the AGM of the Company), and Mrs Arfat Pannir Selvam and Prof Kenneth Stuart Courtis (who have retired from the Board on 25 April 2014), who will receive all of their Directors' fees in cash. The actual number of shares to be awarded will be based on the volume-weighted average price of a share of the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the AGM of the Company. The actual number of shares to be awarded will be rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed, although a share retention policy applies.

5 Dr Philip Nalliah Pillai was appointed as a Director of the Company on 25 April 2014.

6 Mr Kee Teck Koon was appointed as a Director of the Company on 22 September 2014.

7 These directors' fees were paid to the directors.

8 Mr Lim Ming Yan is an employee of the Company. This director's fee was paid to the Company.

9 $6,000 of the director's fee was paid to the director and the remaining $63,649 will only be paid upon approval by the shareholders at the forthcoming AGM of the subsidiary.

Key Management Personnel's Remuneration Table for the Financial Year Ended 31 December 2014

Total Remuneration Bands	Salary inclusive of AWS and employer's CPF	Bonus and other benefits inclusive of employer's CPF[1]	Awards of shares[2]	Total
Above S$4,250,000 to S$4,500,000				
Lim Ming Yan	26%	37%	37%	100%
Above S$2,500,000 to S$2,750,000				
Arthur Lang Tao Yih	25%	30%	45%	100%
Above S$1,750,000 to S$2,000,000				
Tan Seng Chai	31%	35%	34%	100%
Above S$1,000,000 to S$1,250,000				
Olivier Lim Tse Ghow[3]	42%	2%	56%	100%
Above S$500,000 to S$750,000				
Ng Kok Siong[4]	35%	16%	49%	100%
Total		**S$10,579,915.35**		

1 The amounts disclosed include bonuses earned under the Economic Value Added ("EVA") and the other incentive plans which have been accrued for in financial year 2014. EVA bonus accrued during the year is added to the bonus account and 1/3 of the accumulated balance in the bonus account would typically be paid out annually. Any negative EVA bonus declared will result in an offset against the current EVA bonus balance.

2 The share awards are based on the fair value of the shares comprised in the contingent awards under the CapitaLand Restricted Share Plan 2010 ("RSP") and the CapitaLand Performance Share Plan 2010 ("PSP") at the time of grant. The final number of shares released under the contingent awards of shares for RSP and PSP will depend on the achievement of pre-determined targets and subject to the respective vesting period under RSP and PSP.

3 Mr Olivier Lim Tse Ghow resigned from CapitaLand Limited on 16 September 2014.

4 Mr Ng Kok Siong was appointed as Chief Corporate Development Officer, CapitaLand Limited on 1 September 2014. The remuneration reflected in the table above is for the period from 1 September 2014 to 31 December 2014.

Enterprise Risk Management

Risk management is an integral part of CapitaLand's business at both the strategic and operational level. A proactive approach towards risk management supports the attainment of the Group's business objective and corporate strategy of ONE CapitaLand, thereby creating and preserving value.

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

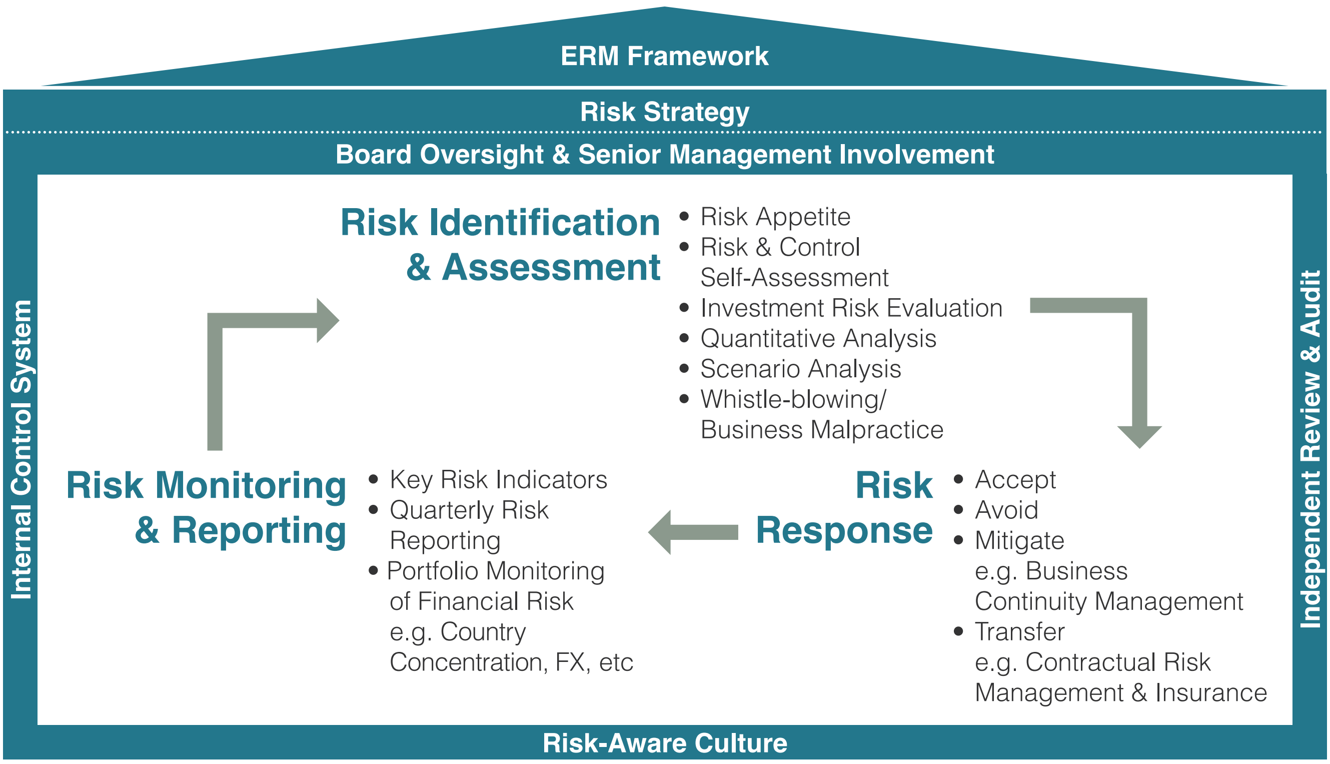
The Board of Directors (Board) is responsible for the governance of risk across the Group. The responsibilities include determining the Group's risk appetite, overseeing the Group's Enterprise Risk Management (ERM) Framework, regularly reviewing the Group's risk profile, material risks and mitigation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

The RC currently comprises four independent board members and meets on a quarterly basis. The meetings are regularly attended by the President & Group CEO (P&GCEO) as well as other key management staff. The RC is assisted by the Risk Assessment Group (RAG), a dedicated and independent in-house team comprising highly specialised and professional members with vast and diverse experience in financial, operational and enterprise risk management.

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

A team comprising the P&GCEO and other key management personnel is responsible for directing and monitoring the development, implementation and practice of ERM across the Group. Operationally, a network of risk champions from the different Strategic Business Units (SBUs) and corporate functions, as well as various specialist support functions, are tasked to develop, implement and monitor risk management policies, methodologies and procedures in their respective areas.

Enterprise Risk Management Framework



Enterprise Risk Management

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

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

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

Awareness of and preparedness for potential risks affecting business continuity help CapitaLand minimise the impact of disruption to its business operations. The Group has a Business Continuity Management Policy to guide the business units in the implementation of business continuity plans. The Information Technology (IT) team has also formulated a disaster recovery strategy, which it reviews and tests annually.

CapitaLand believes that having the right risk culture and people with the right attitude, values and knowledge are fundamental to the Group's success. Therefore, the RAG continues to proactively enhance risk management knowledge within the Group to promote a culture of risk awareness through conducting regular workshops for all levels and functions, and communicating internally to all employees via its e-newsletter made available on the intranet.

Managing Material Risks

CapitaLand undertakes an iterative and comprehensive approach in identifying, managing, monitoring and reporting material risks across the Group. Such material risks include:

Competition Risk

The Group faces keen competition from established players and new market entrants in the real estate industry. It adopts a relentless approach towards strengthening its competitiveness through high-quality products and services, product differentiation, pricing, asset enhancement initiatives and branding. The Group also promotes tenant and customer loyalty through customer-centric initiatives and shopper loyalty programmes. A team of in-house experts provides regular analysis on market trends. Regular innovation workshops are conducted to brainstorm ideas to anticipate as well as react to these trends.

Economic Risk

CapitaLand is exposed to developments in major economies and key financial and property markets. These developments may reduce revenue, increase costs and result in downward revaluation of our assets. Market illiquidity during a financial crisis makes asset divestment challenging and this can affect CapitaLand's investment and strategic objectives. The Group manages this by adopting a disciplined approach towards financial management, having a diversified portfolio across geographies with established Board-approved country concentration limits, and focusing on cities where the Group has operational scale and where underlying economic fundamentals are more robust. A team of in-house experts monitors the macro-economic environment and advises senior management and the SBUs on future macro-economic trends and their implications on the property market. Scenario analysis is performed to calculate potential value deteriorations by applying an in-house developed Value-at-Risk (VaR) model.

Environmental, Health & Safety Risk

CapitaLand recognises the importance of having an Environmental, Health and Safety (EHS) Management System to manage EHS risks faced in its development projects and global operations. Its EHS Management System is externally audited to achieve ISO 14001 and BS OHSAS 18001 certification across 15 countries.

Financial Risk

Given the Group's diversified global business, CapitaLand is exposed to financial risks including liquidity risk, foreign currency risk, and interest rate risk. The Group measures and evaluates these financial risks using established statistical risk management models (e.g. VaR, stress testing, and scenario analysis).

It continues to focus on instilling financial discipline, deploying capital to earn the best risk-adjusted returns and maintaining a strong balance sheet to invest in suitable opportunities. For more information on the Group's Financial Risk Management, please refer to Financial Risk Management section on Pg 190 of this Annual Report.

Fraud & Corruption Risk

CapitaLand is committed to the highest standards of integrity (one of its core values), and has no tolerance for any fraud, corruption or bribery in the conduct of its business activities. Consistent with this commitment, the Group has put in place an employee code of conduct and an anti-corruption policy. The anti-corruption policy was designed to reiterate the tone from the top and sets out CapitaLand Global Principles on Ethical Business Conduct. Every year, employees sign the CapitaLand Pledge to renew their commitment to uphold the Group's core values. It also has a whistle-blowing policy to encourage the reporting of suspected reportable conduct by establishing a clearly defined process through which such reports can be made in confidence and without fear of reprisal.

Human Capital Risk

Competition for talent within the real estate industry remains intense. The Group has a competitive compensation framework designed to attract, retain and motivate talent, as well as foster a performance-oriented culture. The Group seeks to build a continual leadership pipeline and strong management bench-strength through annual talent review, where succession plans for key management positions are reviewed and high-potential employees are identified for leadership development.

Information Technology Risk

CapitaLand has put in place policies and procedures to manage IT risks. Group-wide policies and procedures govern IT security, access controls and data security. Disaster recovery testing is conducted regularly to validate the system continuity plan that is put in place. In addition, network penetration testing is also conducted regularly to check for potential security gaps.

Investment & Divestment Risk

At the project level, independent risk evaluation (for projects above a stipulated investment value threshold) is conducted by the RAG to ensure that all material risks are identified and quantified. Risks of each proposal are highlighted and all parameters are benchmarked against objective market indicators and historical projects undertaken by the Group. If necessary, mitigative measures are proposed. To ensure that the potential returns of new investments commensurate with the risks undertaken, weighted average cost of capital and hurdle rates for various countries and business units are computed and adopted as investment benchmarks. They are reviewed annually and where necessary, adjustments are made to reflect corresponding changes in business risk and costs of investments. This seeks to ensure that CapitaLand's investment portfolios will create value for its stakeholders on a risk-adjusted basis. Projects under development are tracked for progress update and monitored for investment performance.

Political & Policy Risk

Given the geographic diversity of its business, CapitaLand is exposed to different levels of political and policy risks such as political leadership uncertainty, inconsistency in public policies, social unrest, change in property regulations, etc. Such risks may threaten the economic and socio-political environment which may, in turn, affect the financial viability of the Group's investments. To mitigate these risks, overseas operations are managed by experienced managers and teams who are familiar with the local conditions and cultures. Regular scenario analysis is performed to study the impact of adverse changes on investment and exposures in all markets and to evaluate profit and loss potential.

Project Management Risk

To manage project management risk, the Group adopts a rigorous project management process to ensure that project cost, quality and time objectives are met. There are stringent pre-qualification procedures to appoint well-qualified vendors for projects where key criteria such as vendors' track records and financial performance are assessed. Regular site visits are conducted to closely monitor projects' progress to manage potential risk of delays, poor workmanship and cost overruns. In-house teams consisting of experienced technical staff provide guidance and independent audit checks on quality of architectural design, mechanical and engineering detailing, and safety.

Regulatory & Compliance Risk

CapitaLand has global operations and is subject to the local laws and regulations of the markets it operates in. These include applicable listing, data privacy and anti-corruption laws and regulations. The Group has in place a framework that proactively identifies applicable laws and regulatory obligations, and embeds compliance into the day-to-day operations across the SBUs. For instance, the Group enhanced its existing policy and procedures to comply with the Personal Data Protection Act 2012 (PDPA) in Singapore and appointed a Group Data Protection officer who conceptualised and implemented the CapitaLand Group's Personal Data Protection Policy and PDPA compliance manual for its operations in Singapore.

Investor & Media Relations

CapitaLand maintains an open, honest and consistent approach when communicating with its shareholders, investors, analysts and the media. It does this by providing timely and accurate announcements through SGXNET and its corporate website, as well as other communication channels. Underlying CapitaLand's stakeholder communication is its Shareholders' Communication and Investor Relations (IR) policy which is available via its website at www.capitaland.com/irpolicy.

The IR team maintains regular interaction with shareholders through the Annual General Meeting (AGM), media & analyst briefings, face-to-face meetings, teleconferences, non-deal roadshows (NDR), investors' conferences and site visits.

The Group Communications team engages the media via formal announcements, media & analyst briefings, interviews with senior management and networking activities. The team also works closely with the media to profile the management, and corporate developments of its various businesses, as well as its sustainability and corporate social responsibility efforts.

In 2014, CapitaLand completed two major corporate actions - the privatisation of CapitaMalls Asia and the divestment of its stake in Australand. To explain the transaction rationale and understand investors' feedback, the IR team, together with senior management, conducted one-on-one meetings and investor roadshows. Senior management also engaged more than 230 retail investors in a dialogue session organised by the Securities Investors Association (Singapore) (SIAS). In conjunction with CapitaLand's 20th anniversary in China and Ascott's 30th anniversary, a series of outreach events were held for the media and the investment community.

Within just a year, CapitaLand conducted more than 750 meetings with investors, facilitated 12 site visits for these investors, and also participated in NDRs and conferences in Amsterdam, Boston, Hong Kong, London, New York and San Francisco. CapitaLand also conducted two CapitaLand Investors' Day events in August and November in Singapore, targeting debt and equity investors respectively.

Aside from engaging investors, CapitaLand also organised its well-received annual familiarisation trip to China for analysts and media. Eleven analysts and five journalists benefitted from an "on-the-ground" insight of the Group's projects in Chengdu and Shanghai including Raffles City Chengdu, CapitaMall Tianfu, The Botanica, CapitaMall Jinniu, Capital Tower Shanghai, Raffles City Changning and Lotus Mansion. During the trip, the senior management and regional managers further articulated the Group's future growth strategies, including its roadmap for China.

CapitaLand's stakeholder communication efforts have been recognised by the investment community, as evidenced by the numerous awards received in the year: it was ranked 7th globally in IR Magazine's Global Top 50 companies for Investor Relations in 2014 and Best Investor Relations in real estate at the IR Magazine South East Asia Awards 2014. It was also presented with the prestigious Golden Circle Award for the third consecutive year and the Most Transparent Company Award (Real Estate) for the 14th consecutive year at the SIAS Investors' Choice Awards 2014.

A final dividend of 8 cents was paid out for FY 2013, translating into a 11.9% total shareholders' return[1].

CapitaLand analysts and media trip to Chengdu and Shanghai in 2014

1 Total Shareholders' Return is defined as the total return of a share to an investor (capital gain plus dividend).

Shareholder Base[2] by Geographic Distribution

	%
Singapore	51.6
North America	11.8
Asia (ex Singapore)	5.9
Europe (ex UK)	4.7
UK	4.6
Rest of the World*	21.4

* Rest of the World includes shareholders from all geographies who hold less than 50,000 shares.

Shareholder Base[2] by Investor Type

	%
Strategic (Temasek)	39.5
Institutions	36.7
Retail*	23.8

* Including shares held by brokers and undisclosed holdings.

2014 Investor Relations Calendar

1st Quarter	Venue
FY 2013 financial results briefing to media & analysts and 'live' webcast	Singapore
Post FY 2013 results investors meeting hosted by Macquarie	Hong Kong
Debt investors meeting hosted by Credit Suisse	Hong Kong
Post FY 2013 results investors meeting hosted by BNP Paribas	Singapore
Morgan Stanley Non-deal Roadshow	New York, Boston & San Francisco
2nd Quarter	**Venue**
JP Morgan's Asia Pacific Real Estate Conference	Singapore
CMA privatisation roadshow hosted by Credit Suisse and Morgan Stanley	Hong Kong
Release of 1Q 2014 financial results	
Annual General Meeting	Singapore
Post 1Q 2014 results investors meeting hosted by Citibank	Singapore
CMA privatisation dialogue co-organised by SIAS	Singapore
Deutsche Bank 5th Annual Asia Conference	Singapore
3rd Quarter	**Venue**
DBS Vickers - The Pulse of Asia Conference	Singapore
1H 2014 financial results briefing to media & analysts and 'live' webcast	Singapore
Post 1H 2014 results investors meeting hosted by Nomura	Singapore
Goldman Sachs Non-deal Roadshow	Hong Kong
CapitaLand Debt Investors' Day	Singapore
Macquarie ASEAN Conference	Singapore
4th Quarter	**Venue**
Release of 3Q 2014 financial results	
CapitaLand Media/Analysts' China Familiarisation Trip	Chengdu & Shanghai
CapitaLand Investors' Day	Singapore
Macquarie Non-deal Roadshow	Amsterdam
UBS Global Real Estate Conference	London

[2] As at 12 January 2015.

Financial Calendar

Financial Year Ended 31 December 2014

Announcement of First Quarter Results	25 April 2014
Announcement of Second Quarter Results	5 August 2014
Announcement of Third Quarter Results	7 November 2014
Announcement of Full Year Results	17 February 2015
Annual General Meeting	30 April 2015
Books Closing (Record Date)	5.00 p.m. on 11 May 2015
Books Closure	12 May 2015
Proposed Payment of 2014 First and Final Dividend	18 May 2015

Financial Year Ending 31 December 2015

Proposed Announcement of First Quarter Results	April 2015
Proposed Announcement of Second Quarter Results	August 2015
Proposed Announcement of Third Quarter Results	November 2015
Proposed Announcement of Full Year Results	February 2016

Corporate Directory

(as at 27 February 2015)

Board of Directors

Ng Kee Choe
Chairman

Peter Seah Lim Huat
Deputy Chairman

Lim Ming Yan
President & Group CEO

James Koh Cher Siang
John Powell Morschel
Simon Claude Israel
Euleen Goh Yiu Kiang
Tan Sri Amirsham Bin A Aziz
Stephen Lee Ching Yen
Dr Philip Nalliah Pillai
Kee Teck Koon

Company Secretaries

Michelle Koh Chai Ping
Ng Chooi Peng

Board Committees

Audit Committee

Euleen Goh Yiu Kiang
Chairman

James Koh Cher Siang
Tan Sri Amirsham Bin A Aziz
Dr Philip Nalliah Pillai

Corporate Disclosure Committee

James Koh Cher Siang
Chairman

Lim Ming Yan
Dr Philip Nalliah Pillai

Executive Resource and Compensation Committee

Ng Kee Choe
Chairman

Peter Seah Lim Huat
Simon Claude Israel
Stephen Lee Ching Yen

Finance and Budget Committee

Peter Seah Lim Huat
Chairman

Ng Kee Choe
Lim Ming Yan

Investment Committee

Ng Kee Choe
Chairman

Lim Ming Yan
James Koh Cher Siang
John Powell Morschel
Simon Claude Israel

Nominating Committee

Peter Seah Lim Huat
Chairman

Ng Kee Choe
John Powell Morschel
Simon Claude Israel

Risk Committee

Tan Sri Amirsham Bin A Aziz
Chairman

Euleen Goh Yiu Kiang
Stephen Lee Ching Yen
Kee Teck Koon

Registered Address

168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Tel: +65 6713 2888
Fax: +65 6713 2999

Share Registrar

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

Auditors

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel: +65 6213 3388
Fax: +65 6225 4142
(Engagement Partner since financial year ended 31 December 2010: Leong Kok Keong)

Principal Bankers

- Agricultural Bank of China Limited
- Australia and New Zealand Banking Group Limited
- Bank of China
- Bank of Communications Co., Ltd
- BNP Paribas
- CIMB Bank Berhad
- Crédit Agricole Corporate & Investment Bank
- DBS Bank Ltd
- Industrial and Commercial Bank of China Limited
- Malayan Banking Berhad
- Mizuho Bank, Ltd.
- Oversea-Chinese Banking Corporation Limited
- Public Bank Berhad
- 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

Managing Sustainability

Sustainability Commitment

CapitaLand's sustainability strategy is aligned with its credo of 'Building People. Building Communities.'. CapitaLand is committed to improving the economic and social well-being of its stakeholders through execution of development projects and management of its operations. In a rapidly changing business landscape, it actively embraces innovation to ensure commercial viability without compromising the environment for future generations.

CapitaLand upholds high standards of corporate governance and transparency to safeguard shareholders' interests. It has in place an adequate and effective enterprise risk management system to enhance its business resilience and agility. CapitaLand's proactive approach towards environmental, health and safety management, which incorporates universal design into its developments, ensures that its properties are future-proofed and sustainable. Policies and guidelines are put in place to ensure the efficient use of energy, water and other resources.

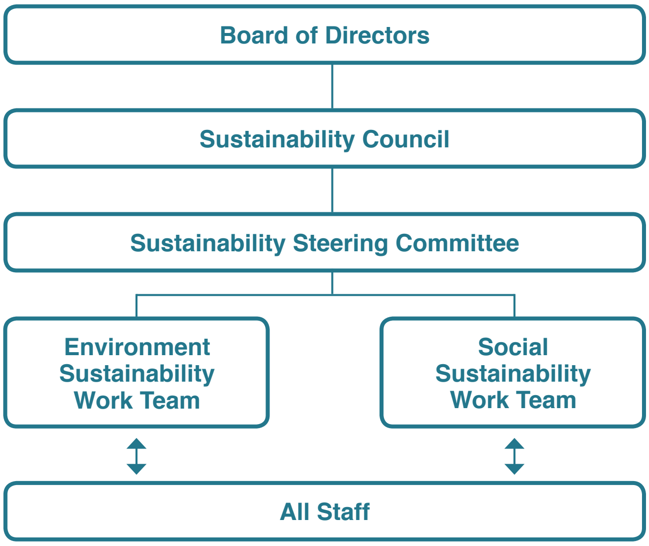
CapitaLand's integrated human capital strategy aims to recruit, develop and motivate employees to drive growth for the Group. Community development is an important component of CapitaLand's commitment to sustainability. It focuses on providing support to enhance the lives of underprivileged children through corporate philanthropy and employee volunteerism.

CapitaLand is one of the first companies in Singapore to voluntarily publish its Sustainability Reports before SGX published its Sustainability Reporting Guidelines. For more details on CapitaLand's sustainability management and performance, please refer to the CapitaLand Limited Global Sustainability Report 2014.

For its efforts, CapitaLand is listed in the Global 100 Most Sustainable Corporations in the World, Sustainability Yearbook, Dow Jones Sustainability World Index and Asia Pacific Index, Global Real Estate Sustainability Benchmark (Regional Sector Leader for Asia/Diversified/Large Cap), FTSE4Good, MSCI Global Sustainability Indexes, STOXX® Global ESG Leaders Indices and ChannelNewsAsia Sustainability Index.

Top Management Commitment and Staff Involvement

CapitaLand's sustainability management comes under the purview of its Sustainability Council which comprises members of CapitaLand's top management. It is supported by a Sustainability Steering Committee which oversees two work teams to ensure the Group's continued progress and improvement in the areas of environment, social and governance. The Sustainability Steering Committee and work teams comprise representatives from all business units.



CapitaDNA (Vision, Mission, Credo and Core Values)

Stakeholders			
People (staff)	**Investors** (including business partners)	**Customers** (tenants, shoppers, home owners, residents)	**Communities** (suppliers/contractors, government agencies/ NGOs, environment, community)
Respect and **Integrity** at all levels			
Creativity to enhance value and pursue **Excellence**			
Develop a high performance culture that embraces diversity and teamwork	Deliver sustainable shareholder returns	Create great customer value and experiences through high-quality products and services	Contribute positively to the economic, environmental and social development of communities

Stakeholder Engagement

Stakeholder	Issues/Interest	Selected examples of response
Customers - home buyers and residents	User-friendly layout for residents	Testbed layouts for residential and serviced residence projects at InnoHub
	Quality of housing	Internal check list
		BCAT team provides guidance and independent audit checks on quality for Singapore and overseas residential developments
		Achieving Building and Construction Authority (BCA) Quality Mark for Singapore residential projects
	Ease of update on residential developments (Singapore)	Online access for home buyers to monitor progress of developments
Customers - Tenants	Green lease	Sample shop layouts improve retailers' understanding of environmental sustainability
	Increase their business in CapitaLand shopping malls	Organised Biz+ series events and retailer forums on topics such as service excellence and productivity with innovation. These initiatives help retailers improve their business operations in shopping malls.
		Attract traffic to shopping malls through CapitaVouchers programme
		Provide in-depth shopper insights through CAPITASTAR programme
Customers - Shoppers	Family-friendly facilities	Family rooms for young children to play in; nursing rooms for mothers; prams and wheelchairs for use (where possible)
	WiFi connectivity	Free WiFi implemented in nine Singapore shopping malls
	Easy access to public transport	Shuttle buses bring shoppers to train stations (Singapore)
Investors	Return on investment	Simplified organisational structure
		Operational efficiency
		Better tracking and declaration of monetary savings and cost avoidance
		Identify and mitigate potential environment, social and governance (ESG) risks
Employees	More interaction among staff within the organisation	Quarterly staff communications, iConnect (e-newsletter), new communication/ feedback channels, e.g. iHub, dedicated ask Group CEO email address
		Employee volunteer programmes
Community/ NGOs	Education	CapitaLand Hope Schools
		Philanthropic and environment programmes
	Environment	Planting of trees and mangroves to prevent desertification and erosion in China, India, Japan
		Giant Panda conservation programme in Singapore
Supply Chain-main contractors, vendors, suppliers	Recognition for exceeding requirements in CapitaLand projects	Incentives
	Sharing of best practices	Standard operating procedures for their compliance
Government/ National agencies/ NGOs	Building	Board Member, Singapore Building and Construction Authority (BCA)
	Environment	Board Member, Singapore Green Building Council Member, BCA Green Mark Advisory Committee
	Quality	Quality Ambassador, BCA
	Social integration	Universal Design Ambassador, BCA
	Health and safety	Member, Construction and Landscape Committee, Workplace Safety and Health Council
	Investor Relations	President, Investor Relations Professionals Association (Singapore) (IRPAS)

Managing Sustainability

CapitaLand has a regular review, assessment and feedback process in relation to environment, social, and governance (ESG) topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include fraud and corruption risk, environmental risk, health and safety risk and human capital risk which are ESG-relevant. Other existing channels for feedback to ensure relevance of issues include:

Environment	• Regular dialogue/feedback sessions with government agencies (Building and Construction Authority, National Environment Agency) • Active participation in Singapore Green Building Council
Social	• Regular dialogue with government agencies and unions • Active participation in Singapore Workplace Safety and Health Council • Regular employee engagement survey. Regular staff survey on environmental, health and safety in Singapore • CapitaLand Vision and Values Staff Survey
Governance	• Active participation in IRPAS and Real Estate Investment Trust Association of Singapore (REITAS) • Engagement with Securities Investors Association (Singapore) (SIAS) for its annual Corporate Governance Conference

Materiality

Through regular stakeholder engagement, CapitaLand identifies and reviews material issues that are most relevant and significant to the Group and its stakeholders. For CapitaLand, priorities are ranked based on the likelihood and potential impact of issues affecting business continuity and development. For external stakeholders, priority is given to issues important to society and relevant to CapitaLand.

Employees

CapitaLand actively engages its employees through various avenues, including regular communication sessions held by senior management for effective flow of information and alignment of business goals and objectives across all levels of workforce. In 2014, more than 9,000 employees participated in the CapitaLand Vision and Values survey which was followed up with over 30 focus groups in Singapore, China and Vietnam. The outcome was a revalidation of the CapitaDNA with an updated Vision, Mission, Credo and Core Values (Please refer to the Corporate Profile section of this Annual Report).

Customers

CapitaLand conducts regular tenant surveys at all its shopping malls and office buildings, as well as regular resident satisfaction surveys in all its serviced residences. Feedback obtained is reviewed and relevant follow-up actions are taken to improve service levels to tenants and improve serviced residents' experience.

Customer surveys are also conducted after handovers of homes to ensure a high level of satisfaction for its products and services. Home buyers in Singapore are given access to an online portal where they can monitor the progress of their homes.

Supply Chain Management

CapitaLand proactively engages contractors and suppliers on areas relating to quality of work and commitment to environment, health and safety (EHS). For more information, please refer to the EHS sub-section. CapitaLand also adopts a strong stance against bribery and corruption. Third-party service providers and contractors can provide feedback, via a dedicated email address, in addition to the regular feedback channels.

Investors and media

For stakeholder engagement pertaining to investors and media, please refer to the section on Investor and Media Relations.

Human Capital

CapitaLand has an integrated human capital strategy to recruit, develop and motivate employees. The company commits about 3% of its annual wage bill towards employees' learning and development initiatives. In 2014, about 97% of the workforce attended at least one learning event, and the average number of training hours completed by each employee for the year was more than 60 hours, well above the industry norm of 40 hours per year.

As a global enterprise, CapitaLand embraces diversity in various aspects including nationality, culture and language. As at 31 December 2014, the Group employs a workforce of more than 80 nationalities.

CapitaLand recognises that a positive work environment is essential to attract, motivate and retain talent. A total well-being programme has been put in place to promote personal development, healthy living and work-life harmony. Initiatives include a flexible medical and benefits plan, flexible work arrangements and employee engagement initiatives.

Community Development

CapitaLand Hope Foundation (CHF) was established in 2005 to further CapitaLand's community development commitment to 'Building People. Building Communities.'. CapitaLand recognises that the long-term success of the company is closely intertwined with the health and prosperity of the communities in which it operates. A registered charity in Singapore, CHF strongly believes in the importance of first investing in the fundamental needs of education, healthcare and shelter of underprivileged children. This will relieve them of hardship and eventually break the poverty cycle. Every year, CapitaLand allocates up to 0.5% of its net profit to CHF and also provides pro bono administrative support through its CSR department and various other functional departments within the company. In 2014, CHF donated over S$2.3 million. Since inception, CHF has donated over S$24 million to support programmes for underprivileged children in countries where CapitaLand operates in.

In 2014, CapitaLand also contributed over S$1.7 million towards other community development initiatives.

CapitaLand is a strong advocate of volunteerism and offers its staff Volunteer Service Leave, Volunteer No Pay Leave and Volunteer Part-Time Work Arrangement. In 2014, it organised more than 340 volunteer activities and actively encouraged its staff to volunteer their time and efforts. Over 3,000 CapitaLand staff volunteered more than 28,000 hours during working hours to participate in various volunteer activities in Asia and beyond. Based on a CHF post-volunteer survey, 100% of CapitaLand staff volunteers feel proud and enjoy working in a company with a positive and vibrant corporate culture. For more information on CHF, please visit www.capitalandhopefoundation.com

Environment, Health and Safety (EHS)

CapitaLand is committed to protecting the environment and upholding the occupational health and safety of its employees. The CapitaLand EHS Management System is externally audited to achieve *ISO 14001* and *BS OHSAS 18001* certification across 15 countries. The CapitaLand EHS Policy can be found on www.capitaland.com/sustainability/environment. The Group incorporated EHS key performance indicators linked to the remuneration of all staff, as well as top management. These include:

- Green Ratings: In 2014, CapitaLand achieved 15 green ratings.
- Energy and Water Usage Reduction: For the first nine months of 2014, the reduction in energy usage in KWh/m^2 was 11.6% and the reduction in water usage in m^3/m^2 was 18.1% from the 2008 baseline. Using a 'Business as Usual' (BAU[1]) approach, it is estimated that CapitaLand avoided cost of more than S$65 million for utilities since 2009. CapitaLand will continue to implement energy and water conservation measures to ensure efficient operations and minimise resource wastage.
- Universal Design: In 2014, CapitaLand achieved three Universal Design Mark Awards for its projects in Singapore.
- Certified Contractors: In 2014, nine main contractors appointed were both *ISO 14001* and *BS OHSAS 18001* certified and two main contractors will engage an external auditor to conduct EHS legal compliance audit.
- Zero Fatality/Permanent Disability: In 2014, no CapitaLand staff met with work-related fatality or permanent injury.

[1] The assumption is that energy and water consumption in subsequent years will continue at 2008 levels (base year) unless energy and water efficiency measures are adopted.

Global Presence
(as at 31 December 2014)

Presence

141
cities[1]

24
countries[2]

Asia Pacific

Australia
Hobart
Melbourne
Perth
Sydney

China
Anyang
Beijing
Changsha
Chengdu
Chifeng
Chongqing
Dalian
Deyang
Dongguan
Duolun
Foshan
Guangyuan
Guangzhou
Hangzhou
Harbin
Hefei
Hong Kong
Honghezhou
Hotan
Huanggang
Huhhot
Huzhou
Kunshan
Lechang
Leshan
Lishui
Macau
Macheng
Maoming
Mianyang
Mianzhu
Nanchang
Nanjing
Ningbo
Pu'er
Qingdao
Qingyuan
Quanzhou
Rizhao
Shanghai
Shangluo
Shenyang
Shenzhen
Suzhou
Taiyuan
Tianjin
Weifang
Wuhan
Wuhu
Wuxi
Xiamen
Xi'an
Xinxiang
Xuzhou
Yangzhou
Yibin
Yinchuan
Yiyang
Zhanjiang
Zhangzhou
Zhaoqing
Zhengzhou
Zhongxiang
Zibo
Zigong

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

Indonesia
Bali
Jakarta
Surabaya

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

Laos
Vientiane

Malaysia
Cyberjaya
Kuala Lumpur
Kuantan
Kuching
Nusajaya
Penang
Petaling Jaya

Myanmar
Yangon

Philippines
Manila

Singapore
Singapore

South Korea
Busan
Seoul

Thailand
Bangkok
Sri Racha

Vietnam
Danang
Hai Phong
Hanoi
Ho Chi Minh City

Europe

Belgium
Brussels

France
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
Sohar

Qatar
Doha

Saudi Arabia
Jeddah
Riyadh

United Arab Emirates
Abu Dhabi
Dubai

1 Include cities where CapitaLand Hope Schools are located.
2 Excludes Surbana (Consultancy) business which CapitaLand has announced the sale of its stake on 16 February 2015.

Cities in italics denote serviced residence presence only.

Performance Overview

Despite the headwinds in the residential market, CapitaLand Group achieved a profit after tax and non-controlling interests (PATMI) of S$1,160.8 million for the full year ended 2014 (FY 2014), 38.2% higher than FY 2013. Reflecting the strength of our underlying businesses, the Group's operating PATMI grew 40.4% to S$705.3 million. The significant improvement in FY 2014 performance was driven by profit recognition for the sale of Westgate Tower, improved operating performance driven by our shopping mall business, development projects in Vietnam and higher fair value gains from the revaluation of the Group's investment properties.

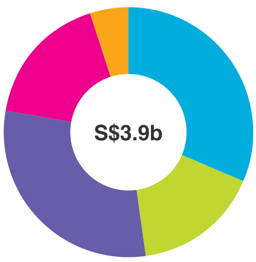
Revenue

Revenue for FY 2014 was S$3.9 billion which was 11.8% higher than FY 2013. The increase was fuelled by the sale of all of the office strata units in Westgate Tower, higher contribution from the shopping mall and serviced residence businesses as well as our development projects in Vietnam. The increase was partially offset by the lower revenue from our development projects in China. Geographically, the Group's core markets of Singapore and China contributed about 76.7% or S$3.0 billion of the Group's revenue.

CapitaLand Singapore's revenue of S$1,241.5 million was comparable to that of FY 2013. The main contributors to FY 2014 revenue were from its proportionate share of revenue from the sale of Westgate Tower, Sky Habitat, Sky Vue and rental income from CapitaCommercial Trust, Bedok Mall and Westgate.

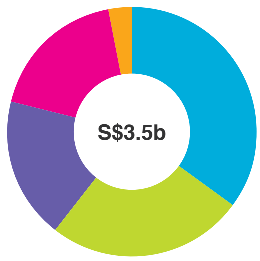
Revenue from CapitaLand China decreased by 29.1% to S$637.5 million in FY 2014 as the units handed over to home buyers in the prior year were from projects that have higher average selling prices, in particular, The Paragon. In FY 2014, revenue was recognised for the units sold and handed over for La Cite in Foshan, The Metropolis in Kunshan, iPark in Shenzhen and International Trade Centre in Tianjin.

2014 Revenue by Strategic Business Unit



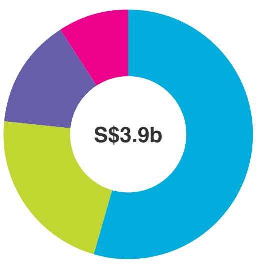
	%
CapitaLand Singapore	31.6
CapitaLand China	16.2
CapitaMalls Asia	30.0
The Ascott Limited	17.4
Corporate and Others	4.8

2013 Revenue by Strategic Business Unit (Restated)



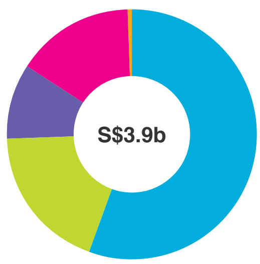
	%
CapitaLand Singapore	35.2
CapitaLand China	25.6
CapitaMalls Asia	18.2
The Ascott Limited	18.1
Corporate and Others	2.9

2014 Revenue by Geographical Location



	%
Singapore	54.7
China (including Hong Kong)	22.0
Other Asia (excluding Singapore and China)	14.2
Europe and Others	9.1

2014 Revenue by Business Type



	%
Trading of properties	56.1
Rental and related income	19.0
Fee income	9.6
Serviced residence rental and related income	15.2
Others	0.1

Performance Overview

CapitaMalls Asia's revenue saw a sharp improvement of 83.8% to S$1,177.7 million, mainly driven by revenue from its proportionate share of revenue from the sale of Westgate Tower and higher rental revenue from its shopping malls in Singapore and China.

Ascott's revenue grew by 7.6% to S$682.9 million, mainly due to contribution from newly acquired properties in China and Japan as well as newly opened properties in Europe.

Corporate and Others include Corporate Office, Surbana, StorHub, Financial Services and other businesses in Vietnam, Japan and Gulf Cooperation Council countries. Revenue from Corporate and Others increased to S$184.9 million and this came mainly from our development projects in Vietnam where sales were higher on the improved economic sentiment and completion of a development project in Japan.

Earnings Before Interest and Tax (EBIT) Analysis

The Group achieved EBIT from continuing operations of S$2.4 billion which was 7.9% higher than FY 2013's EBIT of S$2.3 billion.

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

	FY 2014		FY 2013 Restated	
	S$ million	%	S$ million	%
Operating profits	1,716.4	71	1,402.2	62
Portfolio (losses)/gains	(17.7)	(1)	102.0	4
Revaluation gains	904.5	37	849.3	38
Impairments	(166.3)	(7)	(94.9)	(4)
EBIT from continuing operations	**2,436.9**	**100**	**2,258.6**	**100**

Operating profits in FY 2014 were higher by 22.4% at S$1,716.4 million; driven by profit from the sale of Westgate Tower, higher contribution from the shopping mall business in Singapore and China, higher development profits in China and Vietnam and lower losses incurred on re-purchase of convertible bonds.

At the EBIT level, the Group recognised a net divestment loss of S$17.7 million as compared to a gain of S$102.0 million in FY 2013. The divestment loss in FY 2014 arose mainly from the sale of LOMA IT Park in India. The Group also divested its remaining 39.1% stake in Australand at a gain of S$12.9 million, which has been accounted for under profit from discontinued operation.

In terms of revaluation gains, the Group recorded a net fair value gain of S$904.5 million at the EBIT level as compared to S$849.3 million in FY 2013. The fair value gains from investment properties in Singapore, Malaysia and Japan were higher, but this was partially offset by lower fair value gains from investment properties in China, Europe and Australia. The Group also recorded higher impairment charges in FY 2014, mainly in respect of the residential projects in Singapore as the market conditions remain challenging with private residential demand and pricing expected to further moderate in 2015.

Singapore and China markets remain the key contributors to EBIT, accounting for 83.5% of total EBIT (FY 2013: 85.1%). Singapore EBIT was S$1,284.6 million or 52.7% while China EBIT was S$751.2 million or 30.8%. In terms of EBIT contribution by asset classes, approximately 74.4% of the Group's EBIT came from its investment properties portfolio which is recurring in nature.

EBIT contribution from CapitaLand Singapore increased by 7.1% to S$802.7 million in FY 2014 mainly due to the profit from sale of Westgate Tower as well as higher revaluation gains for CapitaGreen and investment properties held through CapitaCommercial Trust. The increase was partially offset by provision for foreseeable losses for development projects.

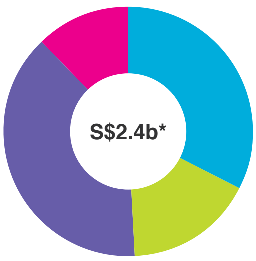
Despite lower revenue, CapitaLand China registered a 5.5% increase in EBIT to S$409.1 million in FY 2014 on account of higher share of operating results from associates and joint ventures, lower impairment losses on development projects as compared to FY 2013 as well as reversal of costs accruals upon finalisation of a project.

CapitaMalls Asia's EBIT in FY 2014 was S$945.2 million which was 11.9% higher than FY 2013's EBIT of S$844.9 million. The improvement was largely due to the profit recognition for the sale of Westgate Tower and higher rental contribution from its shopping malls in Singapore and China, partially offset by lower fair value gains and divestment losses as compared to gains in FY 2013.

EBIT from Ascott was 8.0% lower in FY 2014 at S$297.5 million as compared to S$323.4 million in FY 2013. This was mainly attributable to lower revaluation gains, partially mitigated by higher contribution from newly acquired properties in China and Japan.

Corporate and Others' loss at the EBIT level was lower in FY 2014 due to higher revenue, receipt of a forfeiture deposit arising from an abortive deal in Vietnam and the absence of a loss incurred on re-purchase of convertible bonds in FY 2013, partially offset by higher impairment charges, divestment loss as compared to a gain last year.

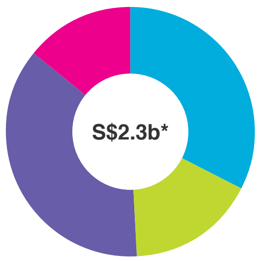
2014 EBIT by SBU



	%
CapitaLand Singapore	32.7
CapitaLand China	16.7
CapitaMalls Asia	38.5
The Ascott Limited	12.1

* Includes Corporate and Others' loss of S$17.5 million in FY 2014 which was not reflected in the charts.

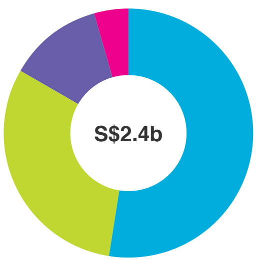
2013 EBIT by SBU (Restated)



	%
CapitaLand Singapore	32.5
CapitaLand China	16.8
CapitaMalls Asia	36.7
The Ascott Limited	14.0

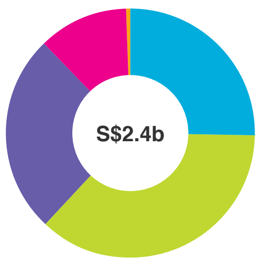
* Includes Corporate and Others' loss of S$46.5 million in FY 2013 which was not reflected in the charts.

2014 EBIT by Geographical Location



	%
Singapore	52.7
China (including Hong Kong)	30.8
Other Asia (excluding Singapore and China)	12.3
Europe and Others	4.2

2014 EBIT by Asset Class



	%
Residential & Office Strata	25.6
Commercial & Integrated Developments[1]	36.8
Malls	25.7
Serviced residence	11.6
Others	0.3

[1] Excluding residential component.

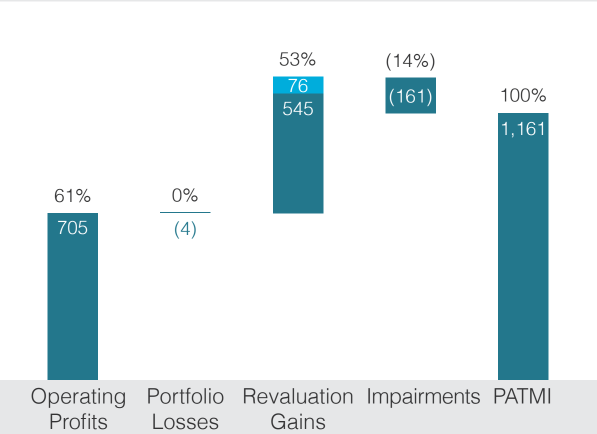
Performance Overview

PATMI Analysis

The Group's PATMI for FY 2014 was higher at S$1,160.8 million. Excluding revaluations and impairments as well as divestments, the operating PATMI was S$705.3 million, which is 40.4% higher than FY 2013's operating PATMI of S$502.5 million. The significant improvement in operating PATMI was mainly due to profit from the sale of Westgate Tower, higher contribution from the shopping malls business, lower loss on re-purchase of convertible bonds as well as lower finance costs. Finance costs decreased as the average interest rate and level of borrowings were both lower in FY 2014. The reduction in financing costs is a result of capital management initiatives undertaken in FY 2013.

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

FY 2014 PATMI (S$ million)



Realised revaluation gains relate to divestments of serviced residences.

Dividends

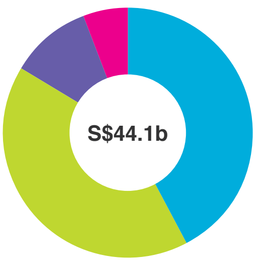
The Board of Directors is pleased to propose a core dividend of 9.0 cents per share in respect of the financial year ended 31 December 2014 versus 8.0 cents per share in the previous year. This amounts to a payout of approximately S$383.3 million, which is 33.0% of PATMI, based on the number of issued shares (excluding 13,928,946 treasury shares) as at 31 December 2014. The dividends are subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

For FY 2013, a first and final dividend of 8.0 cents per share was approved and paid. The said dividends of S$340.6 million were paid in May 2014.

Assets

The Group's total assets as at 31 December 2014 were S$44.1 billion, of which Singapore and China assets accounted for approximately 83.7% of the Group's total assets. As compared to 31 December 2013, the total assets declined by S$0.9 billion or 2.1% mainly due to the decrease in cash and cash equivalents, which was utilised to fund the privatisation of CMA. The decrease was partially mitigated by the acquisition of 11 serviced residence properties in Hong Kong, Australia, Europe, Japan and China, ongoing development expenditure for properties under construction mainly in China and Singapore, acquisition of a retail site in Guangzhou as well as three residential sites in Chengdu and Ningbo, China as the Group continues to invest to grow its pipeline of projects. On an effective stake basis, the Group's total assets were S$33.1 billion as at 31 December 2014, of which 73.8% relate to investment properties portfolio which contribute to recurring income.

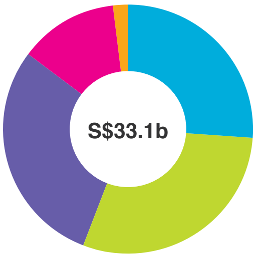
2014 Total Assets by Geographical Location



	%
Singapore	42.3
China (including Hong Kong)	41.4
Other Asia (excluding Singapore and China)	10.6
Europe and Others	5.7

The Group continues to grow its assets under management, and as at 31 December 2014, the Group managed S$70.6 billion* of real estate assets, 9.3% higher than FY 2013, which firmly strengthens its position as one of Asia's largest real estate companies.

2014 Total Assets by Effective Stake



	%
Residential & Office Strata	26.2
Commercial & Integrated Developments[1]	29.9
Malls	29.3
Serviced residence	12.9
Others	1.7

[1] Excluding residential component.

Borrowings

As at 31 December 2014, the Group's gross debt stood at S$16.0 billion. With a cash balance of S$2.8 billion, the net debt as at 31 December 2014 was S$13.2 billion. The increase in net debt was mainly due to the cash consideration paid for the privatisation of CMA during the year.

Shareholders' Equity

As at 31 December 2014, issued and paid-up ordinary share capital (excluding treasury shares) of the Company comprised 4.3 billion shares at S$6.3 billion. The Group's total reserves increased from S$9.8 billion in December 2013 to S$10.5 billion in December 2014. This increase was mainly contributed by the S$1,160.8 million net profit for the year and exchange gains arising from the translation of foreign operations, partially offset by the goodwill arising from the privatisation of CMA and payment of the 2013 dividends during the year.

As a result of the increase in total reserves, the shareholders' funds rose to S$16.8 billion as at end 2014 compared to S$16.1 billion in 2013. Accordingly, the Group's net tangible assets per share increased from S$3.68 in 2013 to S$3.83 as at 31 December 2014.

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

Performance Overview

Treasury Highlights

	2014	2013 Restated[1]
Bank Facilities and Available Funds (S$ million)		
Bank facilities available	13,202	12,278
Amount utilised for loans	8,211	8,563
Available and unutilised	4,991	3,715
Cash and fixed deposit balances	2,749	6,306
Unutilised facilities and funds available for use	7,740	10,021
Debt Securities Capacity (S$ million)		
Debt securities capacity	15,697	15,837
Debt securities issued (net of debt securities purchased)	7,775	7,373
Unutilised debt securities capacity[2]	7,922	8,464
Leverage Ratios (S$ million)		
Gross debt	15,986	15,936
Cash and cash equivalents	2,749	6,306
Net debt	13,237	9,630
Equity	23,219	24,455
Net debt equity ratio (times)	0.57	0.39
Total assets (net of cash)	41,364	38,757
Net debt/Total assets (net of cash) (times)	0.32	0.25
Secured Debt Ratio (S$ million)		
Secured debt	5,849	5,341
Percentage of secured debt	37%	34%
Interest Cover Ratio (S$ million)		
Earnings before net interest, tax, depreciation and amortisation	2,739	2,616
Net interest expense	382	458
Interest cover ratio (times)	7.2	5.7
Interest Service Ratio (S$ million)		
Operating cashflow before interest and tax	2,038	2,583
Net interest paid	443	557
Interest service ratio (times)	4.6	4.6

1 Comparatives have been restated to take into account the retrospective adjustment relating to FRS 110 *Consolidated Financial Statements* which require the Group to consolidate CapitaCommercial Trust, CapitaMalls Malaysia Trust and Ascott Residence Trust.
2 This includes Euro Medium Term Note Programmes.

Overview

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

The global financial outlook has improved but risks remain with the lacklustre recovery in the Eurozone economies and slower growth in China. Against this backdrop, the Group continues to maintain a healthy balance sheet.

The Group's total gross debt of S$16.0 billion was marginally higher as compared to S$15.9 billion last year. Net debt as at 31 December 2014 was S$13.2 billion as compared to S$9.6 billion as at December 2013. The increase in net debt was mainly due to the cash consideration paid in the privatisation of CMA during the year.

Finance costs for the Group were S$439.5 million for the year ended 2014. This was about 9% lower compared to S$481.7 million last year. Finance costs were lower as the average interest rate and level of borrowings were both lower in 2014. The reduction in financing costs is a result of capital management initiatives undertaken in 2013.

Sources of Funding

As at year end, 51% of the Group's total debt was funded by bank borrowings and the balance 49% was raised through capital market issuances. The Group continues to seek diversified and balanced sources of funding to ensure financial flexibility and mitigate concentration risk.

Commitment of Funding

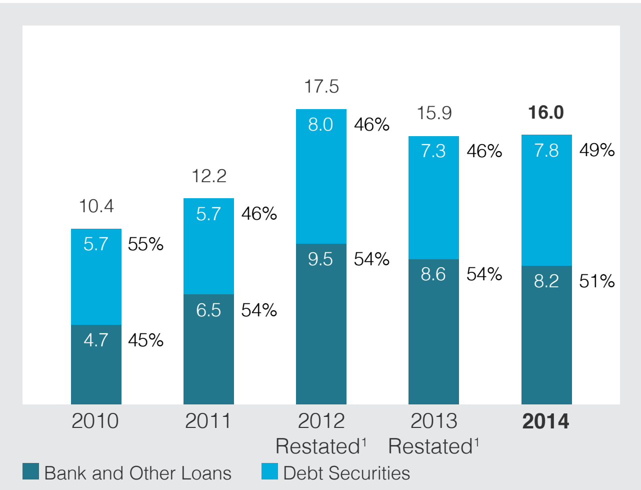
As at end 2014, the Group is able to achieve 99% of its funding from committed facilities. The balance 1% was funded by flexible uncommitted short term facilities.

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

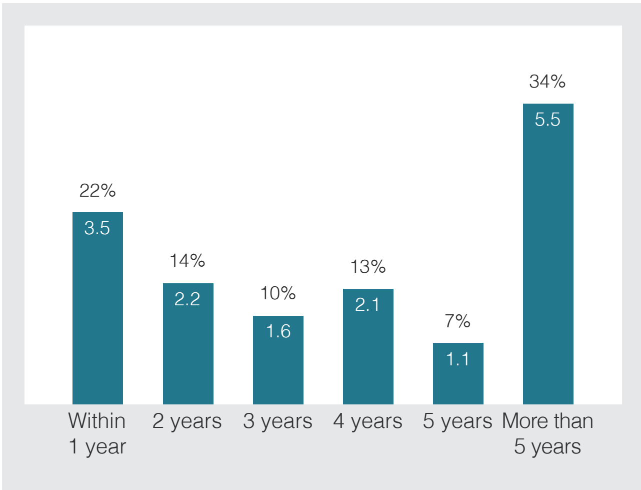
Maturity Profile

The Group has proactively built up sufficient cash reserves and credit lines to enable it to meet its short term debt obligations, support its refinancing needs and pursue opportunistic investments. The Group maintains a healthy balance sheet and has unutilised bank lines of about S$5.0 billion. To ensure financial discipline, the Group constantly reviews its loan profile so as to mitigate any refinancing risks, avoid concentration and extend its maturity profile where possible. In reviewing the maturity profile of its loan portfolio, the Group also took into account any divestment or investment plans, interest rate outlook and the prevailing credit market conditions.

Sources of Funding (S$ billion)



Debt Maturity Profile (S$ billion)



Note: Convertible Bonds are reflected as held till final maturity.

[1] Comparatives have been restated to take into account the retrospective adjustment relating to FRS 110 *Consolidated Financial Statements* which require the Group to consolidate CapitaCommercial Trust, CapitaMalls Malaysia Trust and Ascott Residence Trust.

Performance Overview

Available Lines by Nationality of Banks

The Group 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.

Interest Rate Profile

The Group manages its finance costs by maintaining a prudent mix of fixed and floating rate borrowings. As at 31 December 2014, the fixed rate borrowings constituted 75% of the portfolio and the balance 25% were on floating rate basis. As finance costs formed an integral component of the Group's operating costs, a higher percentage in fixed rate funding would offer protection against unexpected rises in interest rates. In managing the interest rate profile, the Group takes into account the interest rate outlook of its loan portfolio, holding periods of its investment portfolio, certainty of its planned divestments and operating cashflow generated from residential sales.

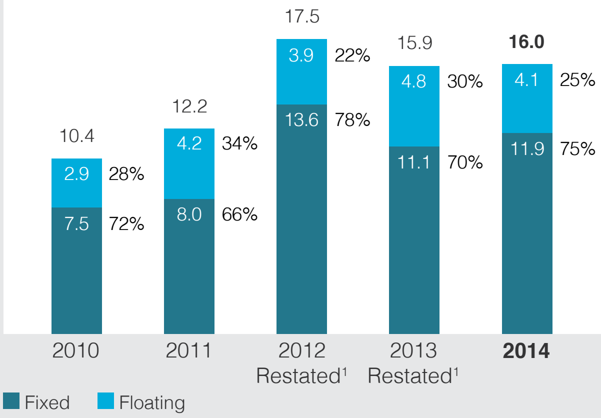
Interest Cover Ratio and Interest Service Ratio

The Interest Cover Ratio (ICR) and Interest Service Ratio (ISR) was 7.2 and 4.6 respectively. ICR was higher at 7.2 compared to 5.7 last year, primarily attributed to lower interest expense as a result of lower average interest rate and debt balance. Net interest expense decreased by around 17% to S$382.2 million for the year. ISR was slightly lower at 4.60 compared to 4.64 last year due to marginally lower cashflows generated from development projects and operations.

Available Lines by Nationality of Banks

	%
Singapore	41
Japan	28
China	15
Europe	7
Others	9

Interest Rate Profile (S$ billion)

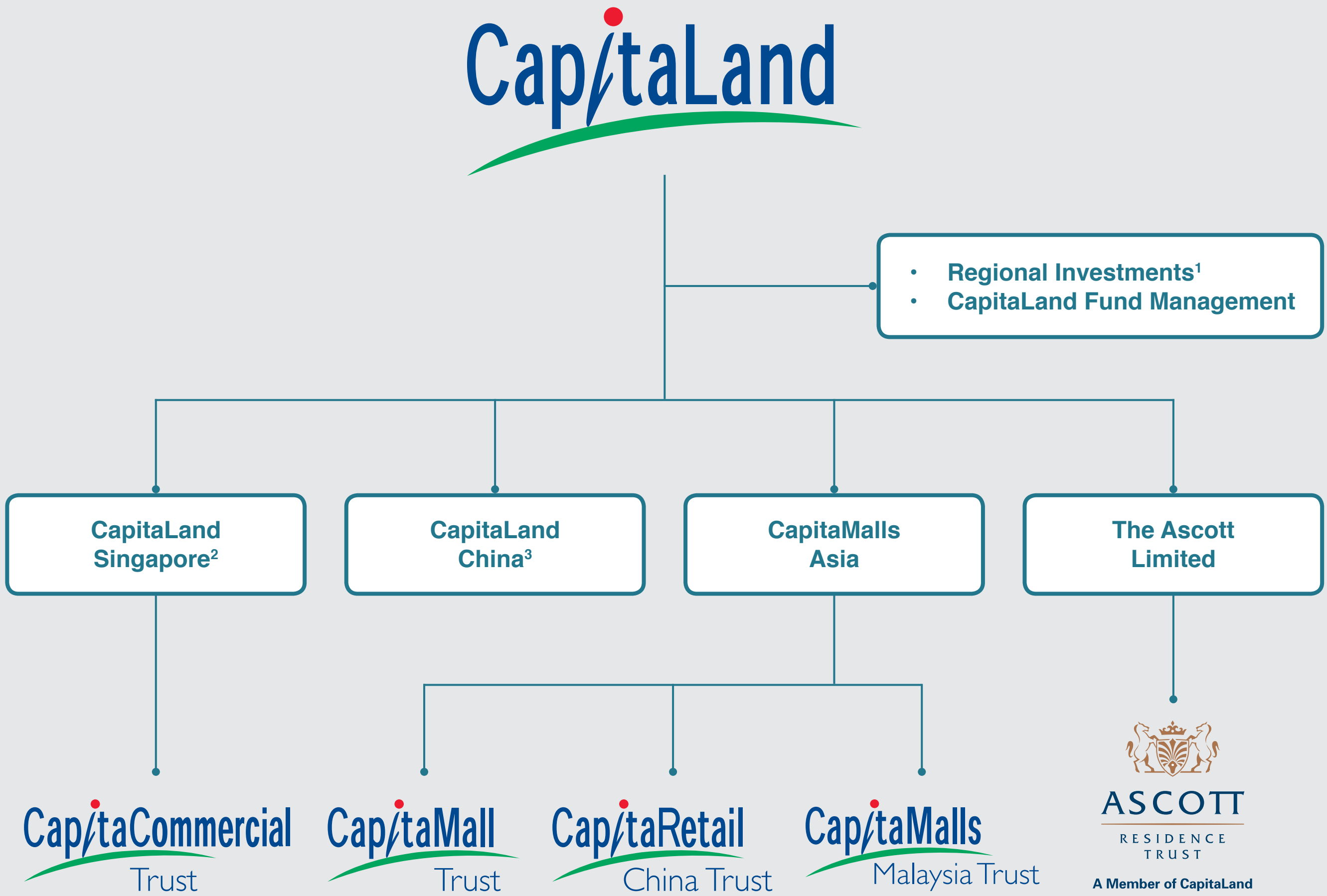


Interest Cover Ratio and Interest Service Ratio (Times)

[1] Comparatives have been restated to take into account the retrospective adjustment relating to FRS 110 *Consolidated Financial Statements* which require the Group to consolidate CapitaCommercial Trust, CapitaMalls Malaysia Trust and Ascott Residence Trust.

Group Business Structure

(as at 31 December 2014)



1 Include Surbana (Consultancy), StorHub, Vietnam, Japan, GCC and Indonesia.
2 Includes residential, commercial and integrated developments in Singapore and Malaysia.
3 Includes residential, commercial and integrated developments.

CapitaLand Singapore

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

Singapore Property Market

Singapore's residential market recorded sales of 7,316 new private homes in 2014, less than half of the 14,948 units sold in 2013. Prices continued to soften in 2014 and registered a decline of 4% as compared to an increase of 1.1% in 2013. The impact of the property cooling measures continued to weigh down the private residential market. Nonetheless, the long-term outlook remains positive as government policies to promote population and economic growth will likely support future demand for housing.

Supply was tight in the Singapore office market in 2014, pushing up monthly Grade A office rent by a healthy 14.9% y-o-y to S$11.20 psf as at 31 December 2014. Grade A office occupancy rose from 93.7% as at end 2013 to 94.2% as at end 2014. Given the limited new office supply in 2015, office market rent is likely to continue to rise as new CBD supply will be available only in the second half of 2016.

Quality Homes Catering to Different Market Segments

CapitaLand Singapore sold 278 residential units with a total sales value of S$561 million in 2014.

In October 2014, CapitaLand celebrated the completion of d'Leedon with a world-record setting feat featuring the longest playable stringed musical instrument ever set up and played. The event was attended by about 4,000 residents and their guests.

CapitaLand's quality residential projects won several local and international accolades. Notably, The Interlace won the prestigious inaugural Urban Habitat Award conferred by the Council on Tall Buildings and Urban Habitat. It was also the only residential project to win the top accolade of Universal Design Mark Platinum at the Building and Construction Authority Awards 2014.

In September 2014, the CapitaLand Designer Series was introduced, where fully-furnished units in various design themes were marketed for immediate occupation. The marketing campaign for Sky Habitat in Bishan was well-received, achieving cumulative sales of 350 out of the available 509 units as at end 2014. A preview of Marine Blue was held for buyers who had indicated interest in the development.

Bedok Residences, Sky Habitat and The Nassim are targeted to be completed in 2015. Meanwhile, Marine Blue, a residential development in Cairnhill Road and a landed housing development in Coronation Road are expected to be launch-ready in 2015.

Revitalised Singapore Office Portfolio

CapitaGreen, the joint venture development by CapitaLand, CapitaCommercial Trust (CCT) and Mitsubishi Estate Asia, obtained its Temporary Occupation Permit on 18 December 2014. The 40-storey Grade A office building secured leases with a prestigious list of tenants for 486,800 sq ft or 69.3% of its total net lettable area as at December 2014. Given the steady leasing momentum and limited new supply in 2015, CapitaGreen is well-positioned to ride the uptick in office market rents as the remaining space is progressively leased out.

A S$32.3 million asset enhancement initiative (AEI) for Raffles City Tower was completed in June 2014. Ongoing asset enhancement works at Capital Tower have been expanded in scope but kept within the same budget of S$40 million, and are expected to complete in 4Q 2015. The target return on investment for Capital Tower AEI is 7.8%.

Westgate Tower, the 20-storey office tower of Westgate located in Jurong East, was divested (together with CapitaMall Trust) for S$579.4 million (S$1,900 psf) in January 2014. The sale was completed in November 2014 and a significant portion of the proceeds has been received, with the remaining 10% expected in 2015.

In July 2014, CapitaLand's listed commercial REIT, CCT, celebrated its 10th anniversary of listing on the Singapore Exchange Securities Trading Limited. As at 31 December 2014, the total value of CCT's deposited properties is S$7.6 billion.

Malaysia

In December, CapitaLand entered into a joint venture with Juta Asia Corporation Sdn Bhd to develop a freehold residential land parcel in Kuchai Lama, Kuala Lumpur. The project which is expected to be launch-ready in 2015, is located in a mature housing estate near Mid Valley City.

CapitaGreen, Singapore

CapitaLand China

As a leading foreign real estate developer in China, CapitaLand has made a mark in the Chinese market with its innovative real estate concepts and products. In 2014, it continued to invest in well-located sites and projects to grow its portfolio and drive its integrated development strategy in the five core city clusters - Shanghai/Hangzhou/Suzhou/Ningbo, Beijing/Tianjin, Guangzhou/Shenzhen, Chengdu/Chongqing and Wuhan.


Chengdu Century Park, China

Celebrating 20 Years in China

In 2014, CapitaLand celebrated its 20th anniversary of operations in China. In the past 20 years, CapitaLand has contributed to the strengthening of Singapore-China economic and cultural ties, and will continue to be an active player in China's sustainable development.

Great Potential in Residential Market

The Chinese government's pro-market policies will keep the residential market healthy and sustainable in the long term. CapitaLand's focus on residential developments in tier one and tier two cities in the five core city clusters is aligned with the Chinese government's emphasis to support first-time home buyers and upgraders.

In 2014, CapitaLand China sold approximately 5,000 units with a total sales value of RMB 7.6 billion (S$ 1.6 billion). The sales were mainly from The Paragon and Lotus Mansion in Shanghai, Dolce Vita in Guangzhou, The Metropolis in Kunshan, The Loft in Chengdu and La Botanica in Xi'an.

CapitaLand continues to focus on optimising the product development process to reduce time to market. It acquired the Century Park site in Chengdu in March 2014 and started construction in 2Q 2014. By December 2014, 45% of the 232 launched units were sold. The Summit Era site located in Sunjia, Jiangbei District, Ningbo, was acquired in January 2014 and construction has commenced in 3Q 2014. Its first phase is expected to be launch-ready in 2Q 2015.

Successful Raffles City brand celebrated its 10th Anniversary

CapitaLand's most symbolic and successful integrated development brand, Raffles City, celebrated its 10th anniversary in China in 2014. Within 10 years, CapitaLand has established eight Raffles City projects in seven core cities with a total construction floor area of approximately 3.1 million sq m.

In 2014, Raffles City Shanghai and Raffles City Beijing continued to achieve strong rental growth. Raffles City Chengdu and Raffles City Ningbo, which opened in 2012, achieved retail committed occupancies of over 94% by end 2014 and continued to see growth in shopper traffic and tenants' sales. Office occupancy at Raffles City Chengdu and Raffles City Ningbo increased by 33% and 18% respectively from 2013. Phase One of Raffles City Shenzhen, iPark was fully sold and handed over by 2Q 2014. Raffles City Hangzhou attained structural top-out of its twin towers in 3Q 2014 and opened its experiential centre in 4Q 2014. The strata-sale office units were launched in December and sold over 30% of the launched area by the end of the year. Office Towers 2 and 3 of Raffles City Changning achieved structural completion in 2014 with plans to commence office operations by 4Q 2015. Raffles City Chongqing completed substantial excavation works in 4Q 2014 and is expected to commence main construction works in 2015. Raffles City Hangzhou, Changning, Shenzhen and Chongqing will be completed in the next three years.

Positioning for Growth

Over the next three years, CapitaLand targets to develop another 12 integrated development projects across Asia. Nearly half of these will be located in China. CapitaLand will leverage its strength in integrated developments to drive growth and deepen its presence in the five core city clusters. As a long-term investor in China, CapitaLand will continue to develop quality and innovative real estate products and services, thereby enriching lives in the local communities where it operates.

CapitaMalls Asia

CapitaMalls Asia is one of the largest shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. In 2014, CapitaLand malls in the key markets of Singapore, China and Malaysia continued to perform well – registering increases in net property income (NPI) and strong tenants' sales and shopper traffic. Malls in China performed particularly well, recording increases of 19.9% in NPI and 11.6% in tenants' sales.

As at 31 December 2014, CapitaLand owns and manages 105 shopping malls across 54 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$37.8 billion and a total gross floor area (GFA) of about 98.2 million square feet. Of these, 86 are operational and 19 are under development.

Strengthening Leadership Position in Singapore

In Singapore, CapitaLand broke ground for Jewel Changi Airport, an iconic mixed-use development in partnership with Changi Airport Group. When completed by end 2018, the retail component will offer tourists, Singaporeans and residents a premium and luxurious experience. Located at one of Asia's busiest airports and a key gateway to the Asia Pacific, Jewel Changi Airport will provide an ideal platform for global and local retailers to build their brands and market to a ready cosmopolitan catchment.

Together with CapitaMall Trust, CapitaLand also divested Westgate Tower for S$579.4 million.

The CapitaLand Group completed asset enhancement works at Bugis Junction to increase F&B space and create more specialty stores for an enhanced shopping experience, and at Bukit Panjang Plaza to increase F&B options. The Group continued enhancement works at Tampines Mall to house educational tenants, and at IMM Building to include more outlet stores to strengthen its position as Singapore's largest outlet mall. It also created additional space in Sembawang Shopping Centre for a childcare centre and commenced reconfiguration works at Clarke Quay to introduce new F&B and entertainment concepts, to reinforce Clarke Quay's attractiveness as a vibrant place to visit.

CapitaMall Tianfu, China

New Mall Openings and Proactive Asset Management

In China, CapitaLand opened the shopping mall component of CapitaMall Tianfu, a landmark integrated development which also comprises offices and residences in the heart of the city's up-and-coming New South Tiandi business district. It also opened the second phase of CapitaMall Fucheng in Mianyang, nearly doubling the mall's GFA and net lettable area.

In addition, the Group re-opened CapitaMall Minzhongleyuan in Wuhan in May 2014 after a 10-month asset enhancement initiative.

In India, CapitaLand opened two new malls – The Forum Sujana Mall in Hyderabad and The Forum Fiza Mall in Mangalore – bringing the number of operational malls in India to four.

As part of its proactive asset management strategy, CapitaLand divested two malls in Japan – Narashino Shopping Centre in Tokyo and Ito-Yokado Eniwa in Hokkaido.

Looking Ahead

For 2015, CapitaLand targets to open three new malls in China, namely CapitaMall SKY+ in Guangzhou, CapitaMall 1818 in Wuhan and the shopping mall at Tianjin International Trade Centre. CapitaLand remains committed to growing its presence in key gateway cities and developing scale to ride on Asia's rising consumption.

Ascott

Ascott is the largest international serviced residence owner-operator in the world, with a portfolio of quality serviced residences which it manages and enhances through its operations and award-winning brands spanning 89 cities in 24 countries.

A Year of Tremendous Growth

2014 has been a year of tremendous growth for Ascott, adding over 4,800 units to its global network through acquisitions, management contracts, strategic alliances, franchises and leases. As at 31 December 2014, Ascott owns and manages over 38,300 units in 256 properties across more than 89 cities in Asia Pacific, Europe and the Gulf region.

In 2014, Ascott secured 21 management, lease and franchise contracts, and acquired six properties, out of which five are acquired by Ascott Residence Trust (Ascott Reit), extending its presence to seven new cities in China, Indonesia, Laos, Myanmar and South Korea.

Ascott Midtown Suzhou, China

In China, Ascott successfully crossed its target of 12,000 apartment units this year, reinforcing its leadership position as the largest international serviced residence owner-operator in China with 69 properties across 23 cities.

Ascott's hospitality management and service fee income remained stable at S$133 million. Overall, Revenue Per Available Unit grew by 3% to S$123 in 2014, driven mainly by growth in China, Europe and Japan.

Ascott continued to grow through acquisitions in 2014. It acquired The Mercer in Hong Kong and Ascott Kuningan Jakarta in Indonesia, for a total of approximately S$179 million. Through Ascott Reit, it acquired properties in Dalian, Tokyo and Greater Sydney with an aggregate property value of approximately S$307 million.

In addition, Ascott unlocked value through the divestment of three serviced residence properties to Ascott Reit, two of which were held by its 36.1%-owned Ascott China Fund.

In 2014, Ascott continued to drive growth in China through forming a strategic alliance with Vanke, a leading developer in China. In Australia, Ascott acquired a 20% stake in Quest Serviced Apartments (Quest) and expects to invest up to S$560 million to acquire new properties which Quest will secure for its franchise in Australia over the next five years.

Ascott continued its asset enhancement initiatives (AEIs) to reposition and upgrade its products to drive organic operational growth. Since 2013, close to S$100 million was invested to refurbish various properties in Asia and Europe. Results were positive as refurbished properties achieved higher Average Daily Rate (ADR). For instance, the ADR of refurbished Citadines Ramblas Barcelona was lifted by 17% for its renovated rooms.

To cap off its 30th year of hospitality excellence, Ascott received a total of 84 highly-coveted accolades in the year, cementing its position as the global leader in the serviced residence industry.

Looking Ahead

Ascott will continue to consolidate its position in key markets and enhance the value of its portfolio through acquisitions, robust AEIs and divesting properties for optimal returns. Growth will be accelerated through acquisitions, management contracts, strategic alliances and franchises, to achieve its new target of 80,000 units globally by 2020. Additional fee contribution is expected to improve return on equity once Ascott reaches stabilised operation scale.

Regional Investments

CapitaLand's Regional Investments unit manages regional real estate investments which include CapitaLand Vietnam, StorHub and its Indonesia venture.

CapitaLand Vietnam

In Vietnam, CapitaLand has built a track record as a reliable developer which delivers quality projects. In 2014, CapitaLand Vietnam achieved total sales of 1,000 apartment units. It also celebrated the 20th anniversary of its entry into Vietnam with the launch of a high-end residential development, Vista Verde in District 2, Ho Chi Minh City in September 2014.

PARCSpring, its first affordable housing project in Vietnam was completed on schedule and 100% of the units launched in Phase One has been sold.

In developing its projects, CapitaLand takes into consideration the lifestyle and community needs of residents. At The Vista, Ho Chi Minh City, a retail podium named Vista Walk was built to cater to the shopping and family entertainment needs of residents. To foster community spirit, CapitaLand also organised various cultural events for residents, including The Vista Christmas bazaar, full moon festival and acoustic night.

CapitaLand's developments in Vietnam reflect the company's strong commitment to sustainability. Mulberry Lane, its residential project in Hanoi has been accorded Green Mark Certification by the Building and Construction Authority, Singapore and the Eco-friendly Building Award by the Association of Vietnam Architects.

CapitaLand will leverage its 20 years' experience in Vietnam and continue to seek growth opportunities in the rapidly urbanising market.

StorHub

CapitaLand's self-storage business, StorHub, is the largest operator in Singapore with 11 facilities which span 1.38 million sq ft in GFA. In FY 2014, StorHub achieved revenue of S$20.8 million. Its operations in Shanghai also gained traction. Through stronger marketing efforts in Shanghai, its occupancy doubled to 63% as at 31 December 2014.

In Singapore, a major asset enhancement initiative was carried out to better integrate and enhance its operations. This resulted in brighter facades with enhanced signages featuring StorHub's new logo, a refreshed customer reception and a new biometric access system to boost security. For better outreach to customers, StorHub also expanded its online presence to include social media and mobile device access.

Indonesia

CapitaLand has been operating its serviced residence business in Indonesia since 1995 via Ascott. In November 2014, CapitaLand signed a 50-50 joint venture agreement with a subsidiary of Credo Group to build its first integrated development in Indonesia. The development is situated on a one-hectare site in Jakarta's central business district and will comprise a Grade A office tower, mid- to high-end residential units, serviced residences and supporting retail spaces. Going forward, CapitaLand will leverage its expertise in integrated developments, shopping malls, serviced residences, offices and homes to explore growth opportunities in Indonesia.

The Vista, Ho Chi Minh City, Vietnam

Mulberry Lane, Hanoi, Vietnam

StorHub, Singapore

CapitaLand Fund Management

CapitaLand is a leading real estate fund manager in Asia, managing a total of 16 non-listed real estate vehicles and five listed Real Estate Investment Trusts (REITs) with an aggregate Assets Under Management (AUM) of S$42.4 billion. The majority of the assets managed are located in CapitaLand's core markets of Singapore (38.7%) and China (47.7%). Total management fees received by the Group for its fund management business in 2014 totalled S$145 million.

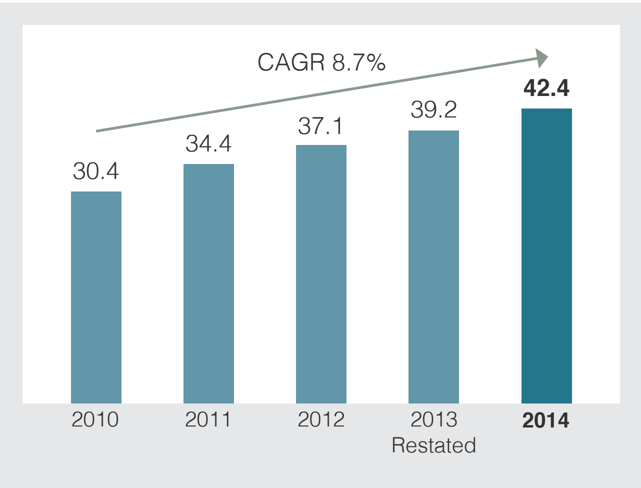
CapitaLand has a dedicated fund management unit that works with the Group's business units in the origination, structuring and raising of private funding from global capital partners. As a real estate developer-operator-owner with multi-sector expertise and deep local knowledge of the overseas markets it operates in, CapitaLand is able to structure and customise a diverse variety of investment options for its capital partners. The Group has a respectable stable of global capital partners that includes sovereign wealth funds, pension funds and insurance companies. Non-listed real estate vehicles range from private equity funds, club deals, to joint ventures, where CapitaLand has a meaningful co-investment stake that aligns the Group's interest with that of its capital partners.

Through its non-listed real estate vehicles and listed REITs, CapitaLand is able to diversify its funding sources while expanding its AUM. The fee income generated from managing such funds and assets also enhances the Group's overall return on equity. The fund management business offers an efficient capital recycling platform for the Group through which it matches the right capital pricing with the appropriate real estate exposure across a wide risk-reward spectrum.

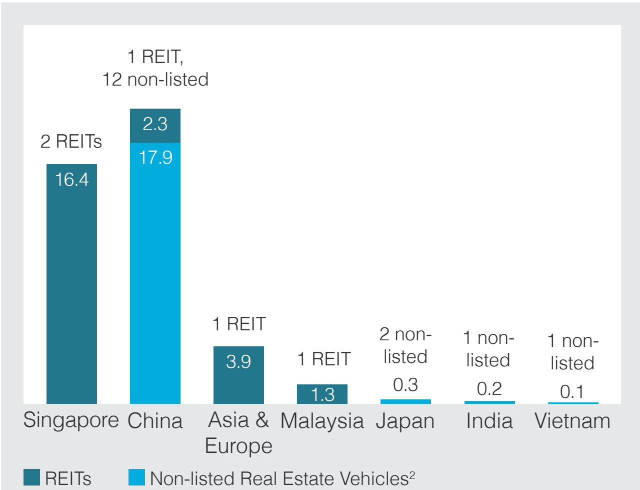
The non-listed real estate vehicles managed by CapitaLand are typically invested in development and value-added plays which aim to generate higher risk-adjusted returns and capital appreciation for CapitaLand and its capital partners. Once the assets in these non-listed real estate vehicles have matured into core assets and generate stable yields, there is the available option of recycling these stabilised assets into the listed REITs. Through this capital recycling process, CapitaLand is able to realise some investment returns, redeploy capital into new higher-yielding opportunities, while retaining a significant stream of stable income through its equity interests in these listed REITs.

Fund management and capital partnership remain the cornerstone of CapitaLand's business model. CapitaLand will continue to grow its AUM through accretive acquisitions, developments and asset enhancement initiatives and will focus on building relationships with capital partners to ensure a robust pool of alternative funding sources to support the Group's growth.

Total AUM[1] (S$ billion)



FY 2014 AUM Breakdown by Geography (S$ billion)



[1] Denotes total assets of REITs and non-listed real estate vehicles.
[2] Includes private equity funds, club deals and JVs with capital partners.

Integrated Developments
(as at 31 December 2014)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure (Years)	Tenure Expiry Date
COMPLETED PROJECTS					
SINGAPORE					
Raffles City Singapore	North Bridge Road/ Stamford Road/ Bras Basah Road	30.1	320,490	99	Jul 2078
CHINA					
CapitaMall Tianfu	Gaoxin District, Chengdu	50	197,064	Leasehold	Feb 2048
CapitaMall Wusheng	Qiaokou District, Wuhan	45	112,769	Leasehold	Jun 2044
CapitaMall Xindicheng	Yanta District, Xi'an	45	154,551	Leasehold	Dec 2043
Hongkou Plaza	Hongkou District, Shanghai	72.5	205,119	Leasehold	Sep 2057
Minhang Plaza	Minhang District, Shanghai	65	146,843	Leasehold	Dec 2053
Raffles City Beijing	Dongcheng District, Beijing	55	110,996	40 (retail) 50 (integrated use)	Apr 2046 (retail) Apr 2056 (integrated)
Raffles City Chengdu	Wuhou District, Chengdu	55	240,514 (including 29,747 Strata/Trading area)	40	Dec 2046
Raffles City Ningbo	Jiangbei District, Ningbo	55	101,405 (including 19,732 Strata/Trading area)	40	Aug 2047
Raffles City Shanghai	Huangpu District, Shanghai	30.7	139,593	50	Apr 2045
UNDER DEVELOPMENT					
SINGAPORE					
Site at Cairnhill Road	Cairnhill Road	100	46,611	99	May 2113
CHINA					
Gutian integrated development	Gutian District, Wuhan	100	245,000	Leasehold	Jul 2052
Raffles City Changning	Changning District, Shanghai	42.8	255,327 (including 56,415 Strata/Trading area)	50	Nov 2055
Raffles City Chongqing	Yuzhong District, Chongqing	62.5	817,000 (including 411,504 Strata/Trading area)	70 (residential) 40 (commercial)	Aug 2082 (residential) Aug 2052 (commercial use)
Raffles City Hangzhou	Qianjiang New Town, Hangzhou	55	296,336 (including 68,026 Strata/Trading area)	40	Mar 2049
Raffles City Shenzhen	Nanshan District, Shenzhen	73	200,980 (including 79,150 Strata/Trading area)	50	Dec 2056
Tianjin International Trade Centre	Hexi District, Tianjin	100	182,313 (including 111,732 Strata/Trading area)	50	Oct 2057
Luwan integrated development	Huangpu District, Shanghai	33	131,303	Leasehold	Jul 2056
Suzhou Center Mall & Suzhou Center Office	Suzhou Industrial Park, Suzhou	50	347,190	Leasehold	Dec 2051 (commercial) Dec 2051 (underground car park)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Tenure (Years)	Tenure Expiry Date
FUTURE DEVELOPMENTS					
CHINA					
Capital Tower Shanghai	Huangpu District, Shanghai	99	66,160	50	Jun 2056
Hanzhonglu Commercial (Plot 95)	Zhabei District, Shanghai	70	75,000	40 (retail) 50 (office)	Mar 2052 (retail) Mar 2062 (office)
INDONESIA					
Site in Central Jakarta	Central Jakarta	50	> 40,000	–	–

Shopping Malls
(as at 31 December 2014)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)*	Tenure (Years)	Tenure Expiry Date
COMPLETED PROJECTS					
SINGAPORE					
Bedok Mall	New Upper Changi Road/ Bedok North Drive	100	30,478	99	Nov 2110
ION Orchard[1]	Orchard Road	50	87,728	99	Mar 2105
The Star Vista	One Vista Exchange Green	100	24,000	60	Oct 2067
CHINA					
CapitaMall Aidemengdun	Daoli District, Harbin	45	43,851	Leasehold	Sep 2042
CapitaMall Beiguan	Beiguan District, Anyang	45	36,922	Leasehold	Mar 2046
CapitaMall Chengnanyuan	Qingyunpu District, Nanchang	45	45,607	Leasehold	Feb 2045
CapitaMall Crystal	Haidian District, Beijing	45	72,422	Leasehold	Jan 2043 (commercial) Jan 2053 (underground car park)
CapitaMall Cuiwei	Haidian District, Beijing	45	56,141	Leasehold	May 2046 (commercial) May 2056 (underground car park)
CapitaMall Deyang	Jingyang District, Deyang	45	41,400	Leasehold	Nov 2045
CapitaMall Dongguan	Nancheng District, Dongguan	45	44,489	Leasehold	Jan 2055
CapitaMall Fucheng	Fucheng District, Mianyang	45	46,803	Leasehold	Sep 2044
CapitaMall Fucheng (Phase 2)	Fucheng District, Mianyang	45	42,111	Leasehold	Jun 2047
CapitaMall Guicheng	Nanhai District, Foshan	73.1	49,115	Leasehold	Aug 2044
CapitaMall Hongqi	Hongqi District, Xinxiang	45	38,345	Leasehold	Nov 2045
CapitaMall Jinniu	Jinniu District, Chengdu	45	57,884	Leasehold	Oct 2044
CapitaMall Jinniu (Phase 2)	Jinniu District, Chengdu	45	94,085	Leasehold	Oct 2044
CapitaMall Jinshui	Jinshui District, Zhengzhou	30	55,451	Leasehold	Jul 2045
CapitaMall Jiulongpo	Jiulongpo District, Chongqing	73.1	43,167	Leasehold	Oct 2042
CapitaMall Kunshan	Yushan Town, Kunshan	45	39,595	Leasehold	May 2045
CapitaMall Maoming	Maonan District, Maoming	73.1	37,882	Leasehold	Nov 2044
CapitaMall Meilicheng	Chenghua District, Chengdu	50	61,182	Leasehold	Aug 2044
CapitaMall Nan'an	Cuiping District, Yibin	45	37,524	Leasehold	May 2045
CapitaMall Peace Plaza	Shahekou District, Dalian	30	157,576	Leasehold	Nov 2035
CapitaMall Quanzhou	Licheng District, Quanzhou	45	43,096	Leasehold	Feb 2045
CapitaMall Rizhao	Donggang District, Rizhao	30	70,898	Leasehold	Nov 2043
CapitaMall Shapingba	Shapingba District, Chongqing	30	41,877	Leasehold	Dec 2023 (Master lease)
CapitaMall Shawan	Jinniu District, Chengdu	30	38,612	Leasehold	Jan 2046 (commercial) Jan 2076 (underground car park)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)*	Tenure (Years)	Tenure Expiry Date
COMPLETED PROJECTS (continued)					
CHINA (continued)					
CapitaMall Taiyanggong	Chaoyang District, Beijing	45	83,693	Leasehold	Aug 2044
CapitaMall Taohualun	Heshan District, Yiyang	45	34,895	Leasehold	Jun 2045
CapitaMall TianjinOne	Hexi District, Tianjin	30	59,305	Leasehold	Sep 2054
CapitaMall Weifang	Gaoxin District, Weifang	45	48,946	Leasehold	Oct 2044
CapitaMall Xuefu	Nangang District, Harbin	45	104,000	Leasehold	Dec 2045
CapitaMall Yangzhou	Weiyang District, Yangzhou	45	52,536	Leasehold	Jul 2039/ Apr 2045
CapitaMall Yuhuating	Yuhua District, Changsha	73.1	62,080	Leasehold	Mar 2044
CapitaMall Zhangzhou	Xiangcheng District, Zhangzhou	73.1	42,725	Leasehold	Dec 2043
CapitaMall Zhanjiang	Chikan District, Zhanjiang	45	47,266	Leasehold	Dec 2044
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	45	44,840	Leasehold	May 2055
CapitaMall Zibo	Zhangdian District, Zibo	45	41,994	Leasehold	March 2045
INDIA					
The Celebration Mall Udaipur	Bhuwana Phase-II Scheme, National Highway 8, Udaipur	45.5	36,398	99	May 2103
The Forum Fiza Mall	Pandeshwar Road, Mangalore	15.1	63,814	Freehold	–
The Forum Sujana Mall	Kukatpally, Hyderabad	11.1	80,387	Freehold	–
The Forum Value Mall	Whitefield, Bangalore	15.9	46,963	Freehold	–
JAPAN					
Chitose Mall	Chitose-shi, Hokkaido	26.3	26,336	Freehold	–
Coop Kobe Nishinomiya-Higashi	Nishinomiya-shi, Hyogo	100	7,970	Freehold	–
Izumiya Hirakata	Hirakata-shi, Osaka	100	20,044	Freehold	–
La Park Mizue	Mizue, Edogawa-ku, Tokyo	100	18,914	Freehold	–
Olinas Mall	Taihei Sumidaku, Tokyo	100	54,146	Freehold	–
Vivit Minami-Funabashi	Funabashi-shi, Chiba	26.3	69,444	Freehold	–
MALAYSIA					
Queensbay Mall (approximately 91.8% of aggregate retail floor area and 100% of car park bays)	Bayan Lepas, Penang	100	86,115	Freehold	–

Shopping Malls
(as at 31 December 2014)

Name	Location	CL Effective Stake (%)	Gross Floor Area (sqm)*	Tenure (Years)	Tenure Expiry Date
UNDER DEVELOPMENT					
SINGAPORE					
ION Orchard Link[1]	Orchard Road	50	450	99	Mar 2105
Jewel Changi Airport	Changi Airport	49	153,184	–	–
CHINA					
CapitaMall 1818	Wuchang District, Wuhan	50	70,683	Leasehold	Sep 2052
CapitaMall SKY+	Baiyun District, Guangzhou	100	85,936	Leasehold	Mar 2051
CapitaMall Tiangongyuan	Daxing District, Beijing	100	140,708	Leasehold	Jan 2051
CapitaMall Xinduxin	Shibei District, Qingdao	50	104,034	Leasehold	Nov 2051/ Sep 2052
INDIA					
Mall in Graphite India	Whitefield, Bangalore	22.3	97,732	Freehold	–
Mall in Cochin[2]	Ernakulam District, Cochin	11.4	99,406	Freehold	–
Mall in Jalandhar	Paragpur Village, Jalandhar	29.5	57,043	Freehold	–
Mall in Mysore	Abba Road/ Hyder Ali Road, Mysore	22.3	33,417	Freehold	–
Mall in Nagpur	Umrer Road, Nagpur	29.5	94,761	Freehold	–
MALAYSIA					
Melawati Mall	Bandar Ulu Kelang, Daerah Gombak, Selangor	50	87,793	Freehold	–
HELD THROUGH CAPITARETAIL CHINA TRUST					
COMPLETED PROJECTS					
CHINA					
CapitaMall Anzhen	Chaoyang District, Beijing	26.9	43,443	Leasehold	Oct 2034/ Mar 2042/ Jun 2042
CapitaMall Erqi	Erqi District, Zhengzhou	26.9	92,356	Leasehold	May 2042
CapitaMall Grand Canyon	Fengtai District, Beijing	26.9	69,967	Leasehold	Aug 2044
CapitaMall Minzhongleyuan	Jianghan District, Wuhan	26.9	37,472	Leasehold	Sep 2045 (Annex Building) Jun 2044 (Conserved Building: Master lease)
CapitaMall Qibao	Minhang District, Shanghai	26.9	72,729	Leasehold	Jan 2024 (Master lease)
CapitaMall Saihan	Saihan District, Huhhot	26.9	41,938	Leasehold	Mar 2041
CapitaMall Shuangjing	Chaoyang District, Beijing	26.9	49,463	Leasehold	Jul 2042
CapitaMall Wangjing	Chaoyang District, Beijing	26.9	68,010	Leasehold	May 2043 (commercial) May 2053 (underground car park)
CapitaMall Wuhu	Jinghu District, Wuhu	35.8	45,634	Leasehold	May 2044

Name	Location	CL Effective Stake (%)	Gross Floor Area (sqm)*	Tenure (Years)	Tenure Expiry Date
HELD THROUGH CAPITARETAIL CHINA TRUST (continued)					
COMPLETED PROJECTS (continued)					
CHINA (continued)					
CapitaMall Xizhimen	Xicheng District, Beijing	26.9	83,075	Leasehold	Aug 2044 (underground commercial and retail use) Aug 2054 (integrated use)
HELD THROUGH CAPITAMALL TRUST					
COMPLETED PROJECTS					
SINGAPORE					
Bugis+	Victoria Street	27.7	29,733	60	Sep 2065
Bugis Junction	Victoria Street	27.7	53,656	99	Sep 2089
Bukit Panjang Plaza	Jelebu Road	27.7	22,998	99	Nov 2093
Clarke Quay	River Valley Road	27.7	34,125	99	Jan 2089
Funan DigitaLife Mall	North Bridge Road	27.7	44,788	99	Dec 2078
IMM Building	Jurong East	27.7	132,527	60	Jan 2049
JCube	Jurong East	27.7	29,433	99	Feb 2090
Junction 8	Bishan	27.7	34,959	99	Aug 2090
Lot One Shoppers' Mall	Choa Chu Kang	27.7	30,301	99	Nov 2092
Plaza Singapura	Orchard Road	27.7	70,331	Freehold	–
Rivervale Mall	Rivervale Crescent	27.7	10,149	99	Dec 2096
Sembawang Shopping Centre	Sembawang Road	27.7	19,146	999	Mar 2884
Tampines Mall	Tampines Central	27.7	47,039	99	Aug 2091
The Atrium@Orchard	Orchard Road	27.7	53,602	99	Aug 2107
Westgate	Boon Lay Way	78.3	55,178	99	Aug 2110
HELD THROUGH CAPITAMALLS MALAYSIA TRUST					
COMPLETED PROJECTS					
MALAYSIA					
East Coast Mall	Putra Square, Kuantan	36.3	60,758	99	Dec 2106
Gurney Plaza	Persiaran Gurney, Penang	36.3	114,200	Freehold	–
The Mines	Jalan Dulang, Selangor	36.3	116,787	99	Mar 2091
Sungei Wang Plaza (approximately 61.9% of aggregate retail floor area and 100% of car park bays)	Jalan Sultan Ismail, Kuala Lumpur	36.3	47,483	Freehold	–

* For China properties, GFA excludes carpark area.
[1] ION Orchard and ION Orchard Link are part of the same project
[2] Mall in Cochin is held through a combination of equity and debentures.

Serviced Residences

(as at 31 December 2014)

Name	Location	Effective Stake (%)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
CHINA					
Ascott Beijing	Chaoyang District, Beijing	36.1	362	70	2066
CHI 138	Sai Ying Pun, Hong Kong	100	52	999	–
Citadines Central Xi'an	Beilin District, Xi'an	36.1	148	70 (Residential) 40 (Commercial)	2066 (Residential) 2036 (Commercial)
Somerset Garden City Shenzhen	Nanshan District, Shenzhen	36.1	147	70	2074
Somerset International Building Tianjin	Heping District, Tianjin	36.1	108	50	2044
Somerset JieFangBei Chongqing	Yuzhong District, Chongqing	36.1	157	40	2037
Somerset Riverview Chengdu	Wuhou District, Chengdu	36.1	200	50	2049
Somerset Youyi Tianjin	Hexi District, Tianjin	36.1	250	50	2052
Somerset ZhongGuanCun Beijing	Haidian District, Beijing	100	154	70 (Residential) 50 (Commercial) 40 (Retail)	2072 (Residential) 2052 (Commercial) 2042 (Retail)
The Mercer, Hong Kong	Sheung Wan, Hong Kong	100	55	999	–
AUSTRALIA					
Citadines on Bourke Melbourne	Bourke Street, Melbourne	100	380	Freehold	–
Somerset on Elizabeth Melbourne	Elizabeth Street, Melbourne	100	34	Freehold	–
FRANCE					
Citadines Suites Arc de Triomphe Paris	Avenue Kleber, Paris	100	112	Freehold	–
GERMANY					
Citadines City Centre Frankfurt	Europa-Allee, Frankfurt	99	165	Freehold	–
Citadines Michel Hamburg	Ludwig-Erhard-Straβe, Hamburg	99	127	99	2109
INDIA					
Citadines Galleria Bangalore (under construction)	Yelanhanka, Bangalore	50	203	Freehold	–
Citadines Hitec City Hyderabad (under construction)	Hitec City, Hyderabad	100	160	Freehold	–
Citadines OMR Gateway Chennai (under construction)	Old Mahabalipuram Road, Chennai	100	269	Freehold	–
Citadines Parimal Garden Ahmedabad (under construction)	Central Business District, Ahmedabad	100	225	Freehold	–
Somerset Greenways Chennai	Sathyadev Avenue, Chennai	51.0	187	Freehold	–
JAPAN CORPORATE LEASING					
Kasahokomachi	Shimogyo-ku, Kyoto	88.9	191	Freehold	–
Marunouchi Central Heights	Naka-ku, Nagoya	88.9	31	Freehold	–
S-Residence Fukushima Luxe	Fukushima-ku, Osaka	18.9	179	Freehold	–
S-Residence Gakuenzaka	Naniwa-ku, Osaka	88.9	58	Freehold	–
S-Residence Hommachi Marks	Chuo-ku, Osaka	18.9	110	Freehold	–
S-Residence Midoribashi Serio	Higashinari-ku, Osaka	18.9	100	Freehold	–
S-Residence Namba Viale	Naniwa-ku, Osaka	88.9	116	Freehold	–

Name	Location	Effective Stake (%)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
JAPAN CORPORATE LEASING (continued)					
S-Residence Shukugawa	Hyogo, Kobe	88.9	33	Freehold	–
S-Residence Tanimachi 9 chome	Tennoji-ku, Osaka	18.9	104	Freehold	–
MALAYSIA					
Ascott Kuala Lumpur	Jalan Pinang, Kuala Lumpur	50	221	Freehold	–
THAILAND					
Ascott Sathorn Bangkok	South Sathorn Road, Bangkok	40	177	50	2054
Citadines Sukhumvit 8 Bangkok	Sukhumvit 8, Bangkok	49	130	Freehold	–
Citadines Sukhumvit 11 Bangkok	Sukhumvit 11, Bangkok	49	127	Freehold	–
Citadines Sukhumvit 16 Bangkok	Sukhumvit 16, Bangkok	49	79	Freehold	–
Citadines Sukhumvit 23 Bangkok	Sukhumvit 23, Bangkok	49	138	Freehold	–
UNITED KINGDOM					
The Cavendish London	St James's, London	100	230	150	2158
VIETNAM					
Somerset Central TD Hai Phong City (under construction)	Ngo Quyen District, Hai Phong City	90	132	65	2076

Name	Location	Effective Stake (%)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
HELD THROUGH ASCOTT RESIDENCE TRUST					
SINGAPORE					
Ascott Raffles Place Singapore	Finlayson Green, Singapore	45.8	146	999	–
Citadines Mount Sophia Property Singapore	Wilkie Road, Singapore	45.8	154	96	2105
Somerset Liang Court Property Singapore	River Valley Road, Singapore	45.8	197	97	2077
CHINA					
Ascott Guangzhou	Tianhe District, Guangzhou	45.8	207	70	2074
Citadines Biyun Shanghai	Pudong District, Shanghai	45.8	180	70	2064
Citadines Gaoxin Xi'an	Hi-Tech Zone, Xi'an	45.8	251	50	2056
Citadines Xinghai Suzhou	Suzhou Industrial Park, Suzhou	45.8	167	70	2066
Citadines Zhuankou Wuhan	Economic & Technological Development Zone, Wuhan	45.8	249	40	2043
Somerset Grand Central Dalian	Dalian Development Area, Dalian	45.8	195	50	2056
Somerset Grand Fortune Garden Property Beijing[1]	Chaoyang District, Beijing	45.8	75	70	2068
Somerset Heping Shenyang	Heping District, Shenyang	45.8	270	40	2046
Somerset Olympic Tower Property Tianjin	Heping District, Tianjin	45.8	185	70	2062
Somerset Xu Hui Shanghai	Xu Hui District, Shanghai	45.8	168	70	2066

1 Ascott Reit has commenced the strata sale of its 81 units in Somerset Grand Fortune Garden Property Beijing as announced in October 2013.

Serviced Residences
(as at 31 December 2014)

Name	Location	Effective Stake (%)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
HELD THROUGH ASCOTT RESIDENCE TRUST (continued)					
AUSTRALIA					
Citadines St Georges Terrace Perth	St Georges Terrace, Perth	45.8	85	Freehold	
Quest Campbelltown	Campbelltown, Greater Sydney	45.8	81	Freehold	–
Quest Mascot	Mascot, Greater Sydney	45.8	91	Freehold	–
Quest Sydney Olympic Park	Sydney Olympic Park, Greater Sydney	45.8	140	99	2111
BELGIUM					
Citadines Sainte-Catherine Brussels	Quai au Bois à Brûler, Brussels	45.8	169	Freehold	–
Citadines Toison d'Or Brussels	Avenue de la Toison d'Or, Brussels	45.8	154	Freehold	–
FRANCE					
Citadines Antigone Montpellier	Boulevard d'Antigone, Montpellier	45.8	122	Freehold	–
Citadines Austerlitz Paris	Rue Esquirol, Paris	45.8	50	Freehold	–
Citadines Castellane Marseille	Rue de Rouet, Marseille	45.8	97	Freehold	–
Citadines City Centre Grenoble	Rue de Strasbourg, Grenoble	45.8	106	Freehold	–
Citadines City Centre Lille	Avenue Willy Brandt-Euralille, Lille	45.8	101	Freehold	–
Citadines Croisette Cannes	Rue le Poussin, Cannes	45.8	58	Freehold	–
Citadines Didot Montparnasse Paris	Rue Didot, Paris	45.8	80	Freehold	–
Citadines Les Halles Paris	Rue des Innocents, Paris	45.8	189	Freehold	–
Citadines Maine Montparnasse Paris	Avenue du Maine, Paris	45.8	67	Freehold	–
Citadines Montmartre Paris	Avenue Rachel, Paris	45.8	111	Freehold	–
Citadines Place d'Italie Paris	Place d'Italie, Paris	45.8	169	Freehold	–
Citadines Prado Chanot Marseille	Boulevard de Louvain, Marseille	45.8	77	Freehold	–
Citadines Presqu'île Lyon	Rue Thomassin, Lyon	45.8	116	Freehold	–
Citadines République Paris	Avenue Parmentier, Paris	45.8	76	Freehold	–
Citadines Suites Louvre Paris	Rue de Richelieu, Paris	45.8	51	Freehold	–
Citadines Tour Eiffel Paris	Boulevard de Grenelle, Paris	45.8	104	Freehold	–
Citadines Trocadéro Paris	Rue Saint-Didier, Paris	45.8	97	Freehold	–
GERMANY					
Citadines Arnulfpark Munich	Arnulfstrasse, Munich	45.3	146	Freehold	–
Citadines Kurfürstendamm Berlin	Olivaer Platz, Berlin	45.8	118	Freehold	–
Madison Hamburg	Schaarteinweg, Hamburg	45.8	166	Freehold	–
INDONESIA					
Ascott Jakarta	Jalan Kebon Kacang Raya, Jakarta	45.3	204	26	2024
Somerset Grand Citra Jakarta	Jalan Prof Dr Satrio Kav 1, Jakarta	26.1	203	30	2024
JAPAN					
Best Western Shinjuku Astina Hotel	Shinjuku-ku, Tokyo	45.8	206	Freehold	–
Citadines Karasuma-Gojo Kyoto	Shimogyo-ku, Kyoto	67.5	124	Freehold	–
Citadines Shinjuku Tokyo	Shinjuku-ku, Tokyo	67.5	160	Freehold	–
Somerset Azabu East Tokyo	Minato-ku, Tokyo	45.8	79	Freehold	–

Name	Location	Effective Stake (%)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
HELD THROUGH ASCOTT RESIDENCE TRUST (continued)					
JAPAN CORPORATE LEASING					
Actus Hakata V-Tower	Hakata-ku, Fukuoka	45.8	296	Freehold	–
Asyl Court Nakano Sakaue Tokyo	Nakano-ku, Tokyo	45.8	62	Freehold	–
Big Palace Kita 14jo	Kita-ku, Sapporo	45.8	140	Freehold	–
Gala Hachimanyama I Tokyo	Suginami-ku, Tokyo	45.8	76	Freehold	–
Gala Hachimanyama II Tokyo	Suginami-ku, Tokyo	45.8	16	Freehold	–
Grand E'terna Chioninmae	Higashiyama-ku, Kyoto	45.8	17	Freehold	–
Grand E'terna Nijojomae	Nakagyo-ku, Kyoto	45.8	47	Freehold	–
Grand E'terna Saga	Honjomachi, Saga	45.8	123	Freehold	–
Grand E'terna Saga Idaidori	Nabeshima, Saga	45.8	46	Freehold	–
Grand Mire Miyamachi	Aoba-ku, Sendai	45.8	91	Freehold	–
Grand Mire Shintera	Wakabayashi-ku, Sendai	45.8	59	Freehold	–
Gravis Court Kakomachi	Naka-ku, Hiroshima	45.8	63	Freehold	–
Gravis Court Kokutaiji	Naka-ku, Hiroshima	45.8	48	Freehold	–
Gravis Court Nishiharaekimae	Asaminami-ku, Hiroshima	45.8	29	Freehold	–
Infini Garden	Higashi-ku, Fukuoka	45.8	389	Freehold	–
Joy City Koishikawa Shokubutsuen Tokyo	Bunkyo-ku, Tokyo	45.8	36	Freehold	–
Joy City Kuramae Tokyo	Taito-ku, Tokyo	45.8	60	Freehold	–
Roppongi Residences Tokyo	Minato-ku, Tokyo	45.8	64	Freehold	–
Zesty Akebonobashi Tokyo	Shinjuku-ku, Tokyo	45.8	12	Freehold	–
Zesty Gotokuji Tokyo	Setagaya-ku, Tokyo	45.8	15	Freehold	–
Zesty Higashi Shinjuku Tokyo	Shinjuku-ku, Tokyo	45.8	19	Freehold	–
Zesty Kagurazaka I Tokyo	Shinjuku-ku, Tokyo	45.8	20	Freehold	–
Zesty Kagurazaka II Tokyo	Shinjuku-ku, Tokyo	45.8	20	Freehold	–
Zesty Kasugacho Tokyo	Nerima-ku, Tokyo	45.8	32	Freehold	–
Zesty Koishikawa Tokyo	Bunkyo-ku, Tokyo	45.8	15	Freehold	–
Zesty Komazawa Daigaku II Tokyo	Merguro-ku, Tokyo	45.8	29	Freehold	–
Zesty Nishi Shinjuku III Tokyo	Shinjuku-ku, Tokyo	45.8	29	Freehold	–
Zesty Sakura Shinmachi Tokyo	Setagaya-ku, Tokyo	45.8	17	Freehold	–
Zesty Shin Ekoda Tokyo	Nerima-ku, Tokyo	45.8	18	Freehold	–
Zesty Shoin Jinja Tokyo	Setagaya-ku, Tokyo	45.8	16	Freehold	–
Zesty Shoin Jinja II Tokyo	Setagaya-ku, Tokyo	45.8	17	Freehold	–
MALAYSIA					
Somerset Ampang Kuala Lumpur	Jalan Ampang, Kuala Lumpur	45.8	207	Freehold	–
PHILIPPINES					
Ascott Makati	Ayala Centre, Makati City	45.8	362	48	2044
Salcedo Residences	Salcedo Village, Makati City	28.8	71	Freehold	–
Somerset Millennium Makati	Legaspi Village, Makati City	45.8	151	Freehold	–
SPAIN					
Citadines Ramblas Barcelona	Ramblas, Barcelona	45.8	131	Freehold	–

Serviced Residences
(as at 31 December 2014)

Name	Location	Effective Stake (%)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
HELD THROUGH ASCOTT RESIDENCE TRUST (continued)					
UNITED KINGDOM					
Citadines Barbican London	Goswell Road, London	45.8	129	Freehold	–
Citadines Holborn-Covent Garden London	High Holborn, London	45.8	192	Freehold	–
Citadines South Kensington London	Gloucester Road, London	45.8	92	Freehold	–
Citadines Trafalgar Square London	Northumberland Avenue, London	45.8	187	Freehold	–
VIETNAM					
Somerset Chancellor Court Ho Chi Minh City	Nguyen Thi Minh Khai Street, Ho Chi Minh City	30.7	172	48	2041
Somerset Grand Hanoi	Hai Ba Trung Street, Hanoi	41.2	185	45	2038
Somerset Ho Chi Minh City	Nguyen Binh Khiem Street, Ho Chi Minh City	30.4	165	45	2039
Somerset Hoa Binh Hanoi	Hoang Quoc Viet Street, Hanoi	34.8	206	36	2042
Somerset West Lake Hanoi	Thuy Khue Road, Hanoi	32.0	90	49	2041

Name	Location	Effective Stake (%)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
UNDER DEVELOPMENT					
CHINA					
Ascott Heng Shan Shanghai	Xuhui District, Shanghai	100	90	50	2054

Commercial

(as at 31 December 2014)

Name	Location	Effective Stake (%)	Total Net Lettable Area (sqm)	Tenure (Years)	Tenure Expiry Date
COMPLETED					
OFFICE					
SINGAPORE					
CapitaGreen	Market Street	62.7	65,298	99	2073
PWC Building	Cross Street	30	33,046	99	2095
CHINA					
Innov Tower	Xuhui District, Shanghai	100	40,445	50	2054
JAPAN					
Shinjuku Front Tower	Shinjuku Ward, Tokyo	20	92,092 (GFA)	Freehold	–
SELF-STORAGE					
SINGAPORE					
111 Defu Lane 10	Hougang	100	4,618	30+30	2050
14 Woodlands Loop	Woodlands	100	8,537	30+30	2055
15 Changi South Street 1	Changi South	100	3,676	30	2029
25A Changi South Street 1	Changi South	100	3,500	30	2032
31 Admiralty Road	Admiralty Road	100	8,488	60	2037
37 Tampines Street 92	Tampines	100	7,030	30+30	2054
5 Bukit Batok Street 22	Bukit Batok	100	4,323	30+30	2051
615 Lorong 4 Toa Payoh	Toa Payoh	100	8,272	60	2029
743 Lorong 5 Toa Payoh	Toa Payoh	100	6,748	60	2033
CHINA					
1, Huang Xing Road	Yangpu District, Shanghai	100	7,353	50	2043
133, Jing Xi Road	Baiyun District, Guangzhou	100	1,042 (commercial) 2,954 (office)	40 (commercial) 50 (office)	2040 (commercial) 2050 (office)
HELD THROUGH CAPITACOMMERCIAL TRUST					
CAR PARK					
SINGAPORE					
Golden Shoe Car Park	Market Street	31.7	4,341	99	2081
OFFICE					
SINGAPORE					
Bugis Village	Queen Street/ Rochor Road/ Victoria Street	31.7	11,254 (excluding outdoor refreshment area)	99	2088
Capital Tower	Robinson Road	31.7	68,720	99	2094
HSBC Building	Collyer Quay	31.7	18,624	999	–
One George Street	George Street	31.7	41,564	99	2102
Six Battery Road	Battery Road	31.7	45,911	999	–
Twenty Anson	Anson Road	31.7	19,051	99	2106
Wilkie Edge	Wilkie Road	31.7	14,206 (excluding serviced residences)	99	2105

Residential
(as at 31 December 2014)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
COMPLETED						
SINGAPORE						
d'Leedon	Leedon Heights/ King's Road/ Farrer Road	35	218,519	1,715	99	Apr 2109
The Interlace	Alexandra Road/ Depot Road	60	169,600	1,040	99	Feb 2108
The Orchard Residences	Orchard Road	50	38,243	175	99	Mar 2105
The Wharf Residence	Tong Watt Road	100	27,168	186	999	–
Urban Resort Condominium	Cairnhill Road	100	14,890	64	Freehold	–
CHINA						
Beau Residences	Chancheng District, Foshan	100	47,086	648	70	Apr 2077
Central Park City (Phase 1)	Binhu District, Wuxi	6	180,158 (Residential) 3,415 (Commercial)	1,448	70 (Residential) 40 (Commercial)	Jun 2076 (Residential) Jun 2046 (Commercial)
Dolce Vita (Phase 1)	Baiyun District, Guangzhou	47.5	103,927	935	70	Oct 2078
Dolce Vita (Phase 3)	Baiyun District, Guangzhou	47.5	36,516 (Residential) 3,615 (Commercial)	378	70 (Residential) 40 (Commercial)	Oct 2078 (Residential) Oct 2048 (Commercial)
Imperial Bay	Gongshu District, Hangzhou	50	83,331 (Residential) 799 (Commercial)	462	70 (Residential) 40 (Commercial)	Dec 2076 (Residential) Dec 2046 (Commercial)
La Botanica (Phase 1 to 3 & 5)	Baqiao District, Xi'an	15.2	799,749 (Residential) 1,500 (Commercial)	7,639	70 (Residential) 40 (Commercial)	Sep 2076 (Residential) Sep 2046 (Commercial)
La Cité Foshan	Chancheng District, Foshan	100	72,388 (Residential) 8,841 (Commercial)	879	70 (Residential) 40 (Commercial)	Oct 2076 (Residential) Oct 2046 (Commercial)
Lake Botanica (Phase 2)	Yuhong District, Shenyang	24	121,793 (Residential) 1,486 (Commercial)	1,453	50 (Residential) 40 (Commercial)	Jan 2057 (Residential) Jan 2047 (Commercial)
Riverside Ville	Chancheng District, Foshan	100	110,573 (Residential) 2,448 (Commercial)	758	70 (Residential) 40 (Commercial)	Mar 2077 (Residential) Mar 2047 (Commercial)
Summit Residences (Plot 1)	Jiangbei District, Ningbo	50	10,209	38	70	Apr 2075
The Botanica (Phase 2, 4 to 7)	Jinjiang District, Chengdu	6.1	749,991 (Residential) 3,891 (Commercial)	7,646	70 (Residential) 40 (Commercial)	Oct 2073 (Residential) Oct 2043 (Commercial)
The Loft (Phase 1 and 2)	Qingyang District, Chengdu	56.3	458,470 (Residential) 1,466 (Commercial)	4,446	70 (Residential) 40 (Commercial)	Jun 2077 (Residential) Jun 2047 (Commercial)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
COMPLETED (continued)						
CHINA (continued)						
The Metropolis (Phase 1)	Huaqiao District, Kunshan	70	166,220	1,542	70	Nov 2074
The Paragon	Huangpu District, Shanghai	99	75,012 (Residential) 3,270 (Commercial)	283	70	Jan 2072
The Pinnacle	Pudong District, Shanghai	80	52,844 (Residential) 270 (Commercial)	539	70 (Residential) 40 (Commercial)	Jul 2078 (Residential) Jul 2048 (Commercial)
The Riviera	Chancheng District, Foshan	100	58,254	208	70	Mar 2077
JAPAN						
The Parkhouse Nishi Azabu	Minato Ward, Tokyo	20	23,825	190	Freehold	–
VIETNAM						
Mulberry Lane	Ha Dong District, Hanoi	70	235,853	1478	Freehold (50-year leasehold applicable to foreigners)	–
PARCSpring (Phase 1)	District 2, Ho Chi Minh City	47.5	38,597	402	Freehold (50-year leasehold applicable to foreigners)	–
The Vista	District 2, Ho Chi Minh City	80	190,074	850 (including 100-unit serviced residence with 50-year leasehold)	Freehold (50-year leasehold applicable to foreigners)	–

Residential
(as at 31 December 2014)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry Date	Expected Date of Completion	Approx % of Completion
UNDER DEVELOPMENT								
SINGAPORE								
Bedok Residences	New Upper Changi Road/ Bedok North Drive	100	58,570	583	99	Nov 2110	2015	84
Marine Blue	Marine Parade Road	100	9,986	124	Freehold	–	2016	30
Site at Coronation Road	Coronation Road	100	35,340	109	99	Sep 2112	2018	6.9
Sky Habitat	Bishan Street 15	65	58,786	509	99	May 2110	2015	90
Sky Vue	Bishan Street 15	75	55,016	694	99	Mar 2112	2017	24
The Nassim	Nassim Hill	100	15,942	55	Freehold	–	2015	87
CHINA								
Central Park City (Phase 3)	Binhu District, Wuxi	6	158,584 (Residential) 2,968 (Commercial)	1,484	70 (Residential) 40 (Commercial)	Jun 2076 (Residential) Jun 2046 (Commercial)	2016	59
Chengdu Century Park - West Site (Phase 1)	Hi-Tech District, Chengdu	60	56,501 (Residential) 7,303 (Commercial)	587	70 (Residential) 40 (Commercial)	Nov 2080 (Residential) Nov 2050 (Commercial)	2016	22
Dolce Vita (Phase 2)	Baiyun District, Guangzhou	47.5	25,023 (Residential) 1,800 (Commercial)	98	70 (Residential) 40 (Commercial)	Oct 2078 (Residential) Oct 2048 (Commercial)	2015	99
Dolce Vita (Phase 4)	Baiyun District, Guangzhou	47.5	25,088	124	70	Oct 2078	2015	81
Dolce Vita (Phase 5)	Baiyun District, Guangzhou	47.5	154,678	1,261	70	Oct 2078	2016	28
La Botanica (Phase 4)	Baqiao District, Xi'an	15.2	152,286 (Residential) 5,018 (Commercial)	1,997	70 (Residential) 40 (Commercial)	Mar 2078 (Residential) Mar 2048 (Commercial)	2016	27
La Botanica (Phase 6)	Baqiao District, Xi'an	15.2	228,378 (Residential) 2,801 (Commercial)	2,692	70 (Residential) 40 (Commercial)	Sep 2076 (Residential) Sep 2046 (Commercial)	2016	16
Lake Botanica (Phase 3)	Yuhong District, Shenyang	24	161,802 (Residential) 2,399 (Commercial)	2,003	50 (Residential) 40 (Commercial)	Jan 2057 (Residential) Jan 2047 (Commercial)	2015	86
Lake Botanica (Phase 4)	Yuhong District, Shenyang	24	137,458 (Residential) 4,038 (Commercial)	1,472	50 (Residential) 40 (Commercial)	Jan 2057 (Residential) Jan 2047 (Commercial)	2016	64
LFIE (GLR) (Phase 1)	Panyu Disrict, Guangzhou	45	148,177 (Residential) 5,150 (Commercial)	1,067	70 (Residential) 40 (Commercial)	Jul 2067 (Residential) Jul 2037 (Commercial)	2017	23

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry Date	Expected Date of Completion	Approx % of Completion
UNDER DEVELOPMENT (continued)								
CHINA (continued)								
Lotus Mansion	Pudong District, Shanghai	80	49,192 (Residential) 274 (Commercial)	398	70 (Residential) 40 (Commercial)	Jul 2078 (Residential) Jul 2048 (Commercial)	2016	63
New Horizon	Pudong District, Shanghai	95	82,697 (Residential) 357 (Commercial)	970	70	May 2082	2015	65
Parc Botanica (Phase 1)	Longquanyi District, Chengdu	22.4	149,599 (Residential) 28,728 (Commercial)	1,700	70 (Residential) 40 (Commercial)	Mar 2082 (Residential) Mar 2052 (Commercial)	2015	94
Riverfront	Gongshu District, Hangzhou	100	69,648 (Residential) 468 (Commercial)	686	70 (Residential) 40 (Commercial)	Aug 2082 (Residential) Aug 2052 (Commercial)	2016	50
Summit Era	Jiangbei District, Ningbo	100	117,273 (Residential) 2,585 (Commercial)	1,085	70 (Residential) 40 (Commercial)	Apr 2084 (Residential) Apr 2054 (Commercial)	2016	18
The Botanica (Phase 8)	Jinjiang District, Chengdu	6.1	44,408 (Commercial)	–	40 (Commercial)	Oct 2043	2016	6
The Lakeside (Phase 1)	Caidian District, Wuhan	100	89,048 (Residential) 3,707 (Commercial)	1,040	70	Dec 2080	2015	96
The Metropolis (Phase 2)	Huaqiao District, Kunshan	70	99,350 (Residential) 3,112 (Commercial)	979	70 (Residential) 40 (Commercial)	Nov 2074 (Residential) Nov 2044 (Commercial)	2017	17
Vermont Hills (Phase 1)	Changping District, Beijing	80	33,050 (Residential) 1,912 (Commercial)	88	70 (Residential) 40 (Commercial)	Nov 2074 (Residential) Nov 2044 (Commercial)	2015	23
Vista Garden	Nansha District, Guangzhou	100	166,844 (Residential) 22,657 (Commercial)	1,939	70 (Residential) 40 (Commercial)	Sep 2082 (Residential) Sep 2052 (Commercial)	2016	64
VIETNAM								
Harmony (Mo Lao Site)	Ha Dong District, Hanoi	35	196,787	1,300	Freehold (50-year leasehold applicable to foreigners)	–	2018	0.2
PARCSpring (Phase 2)	District 2, Ho Chi Minh City	47.5	51,977	570	Freehold (50-year leasehold applicable to foreigners)	–	2017	0.4
Vista Verde (Phase A of Thanh My Loi Site)	District 2, Ho Chi Minh City	30	192,419	1,152	Freehold (50-year leasehold applicable to foreigners)	–	2017	12

Residential
(as at 31 December 2014)

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
FUTURE DEVELOPMENTS						
SINGAPORE						
Site at Yio Chu Kang Road	Yio Chu Kang Road	100	19,330	80 (estimated)	Freehold	–
CHINA						
Beaufort (Phase 4)	Chaoyang District, Beijing	100	5,820	40 (estimated)	70	Aug 2074
Central Park City (Phase 4)	Binhu District, Wuxi	6	77,458 (Residential) 52,472 (Commercial)	780 (estimated)	70 (Residential) 40 (Commercial)	Jun 2076 (Residential) Jun 2046 (Commercial)
Chengdu Century Park - East Site	Hi-Tech District, Chengdu	60	212,405 (Residential) 23,619 (Commercial)	1,770 (estimated)	70 (Residential) 40 (Commercial)	Nov 2080 (Residential) Nov 2050 (Commercial)
Chengdu Century Park - West Site (Phase 2)	Hi-Tech District, Chengdu	60	137,946 (Residential) 8,061 (Commercial)	1,416 (estimated)	70 (Residential) 40 (Commercial)	Nov 2080 (Residential) Nov 2050 (Commercial)
Hanzhonglu Residential (Plot 92)	Zhabei District, Shanghai	70	26,912 (Residential) 2,626 (Commercial)	138 (estimated)	70 (Residential) 40 (Commercial)	Sep 2074 (Residential) Sep 2044 (Commercial)
La Botanica (Phase 7 - 16)	Baqiao District, Xi'an	15.2	1,670,163 (Residential) 121,629 (Commercial)	16,743 (estimated)	70 (Residential) 40 (Commercial)	Sep 2076 - Mar 2078 (Residential) Sep 2046 - Mar 2048 (Commercial)
Lake Botanica (Phase 5 - 8)	Yuhong District, Shenyang	24	601,815 (Residential) 46,268 (Commercial)	7,840 (estimated)	50 (Residential) 40 (Commercial)	Dec 2056 - Dec 2057 (Residential) Dec 2046 - Dec 2047 (Commercial)
LFIE (GLR) (Phase 2 to 5)	Panyu District, Guangzhou	45	468,357 (Residential) 1,373 (Commercial)	3,195 (estimated)	70 (Residential) 40 (Commercial)	Jul 2067 (Residential) Jul 2037 (Commercial)
LFIE (PYD)	Panyu District, Guangzhou	45	486,794	4,715 (estimated)	70	Jun 2065

Name	Location	Effective Stake (%)	Gross Floor Area (sqm)	Total No. of Units	Tenure (Years)	Tenure Expiry Date
FUTURE DEVELOPMENTS (continued)						
CHINA (continued)						
Parc Botanica (Phase 2)	Longquanyi District, Chengdu	22.4	175,839 (Residential) 3,972 (Commercial)	1,897 (estimated)	70 (Residential) 40 (Commercial)	Mar 2082 (Residential) Mar 2052 (Commercial)
The Lakeside (Phase 2)	Caidian District, Wuhan	100	127,174	1,464 (estimated)	70	Dec 2080
The Metropolis (Phase 3 - 4 and 6)	Huaqiao District, Kunshan	70	257,365 (Residential) 71,010 (Commercial)	2,713 (estimated)	70 (Residential) 40 (Commercial)	Nov 2074 (Residential) Nov 2044 (Commercial)
Vermont Hills (Phase 2 to 5)	Changping District, Beijing	80	222,218 (Residential) 2,836 (Commercial)	678 (estimated)	70 (Residential) 40 (Commercial)	Aug 2074 (Residential) Aug 2044 (Commercial)
Wanxiang II site	Pudong District, Shanghai	95	65,945 (Residential) 15,656 (Commercial)	733 (estimated)	70 (Residential) 40 (Commercial)	Jun 2083 (Residential) Jun 2053 (Commercial)
MALAYSIA						
Site at Kuchai Lama	Kuchai Lama, Kuala Lumpur	50	62,000 (estimated)	332	Freehold	–
VIETNAM						
Sparkle (Binh Chanh Site)	Binh Chanh District, Ho Chi Minh City	65	75,000 (estimated)	849	Freehold (50-year leasehold applicable to foreigners)	–
Vista Verde (Phase S and L of Thanh My Loi Site)	District 2, Ho Chi Minh City	30	40,000 (estimated)	78 (includes 28 shophouses)	Freehold (50-year leasehold applicable to foreigners)	–

Statutory Accounts

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 2014.

DIRECTORS

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

Ng Kee Choe
Peter Seah Lim Huat
Lim Ming Yan
James Koh Cher Siang
John Powell Morschel
Simon Claude Israel
Euleen Goh Yiu Kiang
Tan Sri Amirsham Bin A Aziz
Stephen Lee Ching Yen
Dr Philip Nalliah Pillai (appointed on 25 April 2014)
Kee Teck Koon (appointed on 22 September 2014)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

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

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
The Company		
Ordinary shares		
Ng Kee Choe	48,105	84,654
Peter Seah Lim Huat	350,789	376,596
Lim Ming Yan	1,301,553	1,414,187
James Koh Cher Siang	298,298	319,411
John Powell Morschel	39,245	56,427
Simon Claude Israel	85,901	105,720
Euleen Goh Yiu Kiang	23,693	44,227
Tan Sri Amirsham Bin A Aziz	6,994	28,697
Stephen Lee Ching Yen	–	16,297

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

	Holdings in the name of the director, spouse and/or infant children	
	At beginning of the year/date of appointment	At end of the year
The Company (cont'd)		
Contingent award of Performance shares[1] to be delivered after 2013		
Lim Ming Yan (143,700 shares)	0 to 287,400[3]	–¶
¶ No share was released under the 2011 award		
Contingent award of Performance shares[1] to be delivered after 2014		
Lim Ming Yan (144,000 shares)	0 to 252,000[3]	0 to 252,000[3]
Contingent award of Performance shares[1] to be delivered after 2015		
Lim Ming Yan (359,000 shares)	0 to 628,250[3]	0 to 628,250[3]
Contingent award of Performance shares[1] to be delivered after 2016		
Lim Ming Yan (388,421 shares)	–	0 to 660,316[3]
Unvested Restricted shares[2] to be delivered after 2011		
Lim Ming Yan	25,198[5]	–
Unvested Restricted shares[2] to be delivered after 2012		
Lim Ming Yan	84,554[6]	42,278[5]
Unvested Restricted shares[2] to be delivered after 2013		
Lim Ming Yan	0 to 295,500[4]	110,320[6]
Contingent award of Restricted shares[2] to be delivered after 2014		
Lim Ming Yan (213,333 shares)	–	0 to 320,000[4]
Contingent award of Restricted shares[2] to be delivered on 1 March 2016		
Lim Ming Yan (131,578 shares)	–	131,578[7]
$1.2 billion convertible bonds 2.875% due 2016 (Aggregate principal amount of bonds which remains outstanding is $467.0 million)		
Lim Ming Yan	$1,000,000	$1,000,000
Related Corporations		
CapitaMalls Asia Limited		
Ordinary shares[8]		
Ng Kee Choe	130,000	–
Peter Seah Lim Huat	29,000	–
Lim Ming Yan	99,774	–
James Koh Cher Siang	45,800	–
Tan Sri Amirsham Bin A Aziz	18,700	–

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
CapitaLand Treasury Limited		
$350 million 4.30% Fixed Rate Notes due 2020		
Euleen Goh Yiu Kiang	$250,000	$250,000
CapitaMalls Asia Treasury Limited		
$350 million 3.95% Fixed Rate Notes due 2017		
Kee Teck Koon	$500,000	$500,000
The Ascott Capital Pte Ltd		
$300 million 3.78% Fixed Rate Notes due 2019		
Kee Teck Koon	$250,000	$250,000

Footnotes:

1 Performance shares are shares under awards pursuant to the CapitaLand Performance Share Plan 2010.

2 Restricted shares are shares under awards pursuant to the CapitaLand Restricted Share Plan 2010.

3 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. On the other hand, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. For awards granted in 2012 and 2013, the maximum is 175% of the baseline award. For awards granted in 2014, the maximum will be 170% of the baseline award.

4 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 and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. For awards granted in 2014, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.

5 Being the unvested one-third of the award.

6 Being the unvested two-thirds of the award.

7 The one-off Strategic Transformational Incentive awards are awarded in the form of time-based restricted shares and with 100% vesting on 1 March 2016. On the vesting, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released.

8 CapitaMalls Asia Limited (CMA) was delisted from the Official List of the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited on 22 July 2014 following the completion of the voluntary cash offer and subsequent compulsory acquisition of shares in CMA by Sound Investment Holdings Pte Ltd, a wholly-owned subsidiary of the Company.

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 2015.

DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, the following directors of the Company had accepted the voluntary cash offer made by Sound Investment Holdings Pte Ltd, a wholly-owned subsidiary of the Company, for all the remaining ordinary shares of CMA that the Company does not already owned, at a price of $2.35 per share.

	Number of Shares held	Value $
Ng Kee Choe	149,916	352,303
Peter Seah Lim Huat	29,000	68,150
Lim Ming Yan	99,774	234,469
James Koh Cher Siang	45,800	107,630
Tan Sri Amirsham Bin A Aziz	31,906	74,979

Directors' interests in contract which arose before their appointment as directors are not set out herein.

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 "Corporate Governance Report".

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 – CAPITALAND SHARE OPTION PLAN, PERFORMANCE SHARE PLAN AND RESTRICTED SHARE PLAN

The Executive Resource and Compensation Committee (ERCC) of the Company has been designated as the Committee responsible for the administration of the Share Plans. The ERCC members at the date of this report are Mr Ng Kee Choe (Chairman), Mr Peter Seah Lim Huat, Mr Simon Claude Israel and Mr Stephen Lee Ching Yen.

The CapitaLand Performance Share Plan 2010 (PSP 2010) and CapitaLand Restricted Share Plan 2010 (RSP 2010) were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. The duration of each share plan is 10 years commencing on 16 April 2010. The Company did not extend the duration of, or replace, the existing CapitaLand Share Option Plan which expired on 16 November 2010. All share options granted under the CapitaLand Share Option Plan prior to its termination will continue to be valid and be subject to the terms and conditions of the plans.

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

The total 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.

Details of awards granted under each plan are provided in the following sections.

SHARE PLANS – CAPITALAND SHARE OPTION PLAN, PERFORMANCE SHARE PLAN AND RESTRICTED SHARE PLAN (cont'd)

(a) CapitaLand Share Option Plan – Options Exercised

The Company ceased to grant options under the CapitaLand Share Option Plan since 2007. During the financial year, there were new ordinary shares issued for cash in the capital of the Company pursuant to the exercise of options granted:

Name of Company	Exercise Price (per share)	Number of Shares Issued
CapitaLand Limited	$0.50 to $3.18	824,178

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.

(b) CapitaLand Share Option Plan – 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	79	25/02/2015	1.72	450,197
	16	26/08/2015	2.15	57,323
	296	24/02/2016	3.18	4,823,484
	38	01/09/2016	4.09	465,353
Total				5,796,357

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

Participants	Aggregate options granted since the commencement of the CapitaLand Share Option Plan	Aggregate options exercised	Aggregate options lapsed/ cancelled	Aggregate options outstanding
Directors of the Company	2,467,178	(2,467,178)	–	–
Former directors of the Company/ Non-Executive Directors of subsidiaries	17,893,730	(17,137,320)	(756,410)	–
Group Executives (excluding Lim Ming Yan)	136,418,917	(95,473,262)	(35,149,298)	5,796,357
Parent Group Executives and others	2,662,482	(2,232,834)	(429,648)	–
Total	159,442,307	(117,310,594)	(36,335,356)	5,796,357

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

SHARE PLANS – CAPITALAND SHARE OPTION PLAN, PERFORMANCE SHARE PLAN AND RESTRICTED SHARE PLAN (cont'd)

(c) Awards under the CapitaLand Performance Share Plan

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).

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 recipients at the end of the qualifying performance period, provided the threshold targets are achieved. An initial number of shares (baseline award) is allocated equally according to the following performance conditions:

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

The above performance measures are selected as key measurements of wealth creation for shareholders. The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted prior to 2012, the maximum is 200% of the baseline award. For awards granted in 2012 and 2013, the maximum is 175% of the baseline award. For awards granted in 2014, the maximum will be 170% of the baseline award.

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

			◄ Movements during the year ►			
	Balance as at 1 January 2014		Granted	Lapsed/ Cancelled	Balance as at 31 December 2014	
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2011	55	2,764,598	–	(2,764,598)	–	–
2012	59	2,983,631	215,237	(454,224)	84	2,744,644
2013	62	3,263,132	675,064	(462,562)	85	3,475,634
2014	–	–	4,786,665	(372,979)	88	4,413,686
		9,011,361	5,676,966	(4,054,363)		10,633,964

(d) Awards under the CapitaLand Restricted Share Plan

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). In addition, the RSP 2010 also enables grants of fully paid shares to be made to non-executive directors as part of their remuneration in respect of their office as such in lieu of cash.

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

- Group's Operating Earnings Before Interest and Tax; and
- Group's Operating Return on Equity^.

^ For awards granted prior to 2014, the performance condition is Group's Operating Return on Total Assets.

SHARE PLANS – CAPITALAND SHARE OPTION PLAN, PERFORMANCE SHARE PLAN AND RESTRICTED SHARE PLAN (cont'd)

(d) Awards under the CapitaLand Restricted Share Plan (cont'd)

The above performance measures are selected as they are the key drivers of shareholder value and are aligned to the Company's business objectives. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. Once the final number of shares has been determined, it will be released over a vesting period of three years. Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. For awards granted in 2014, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.

From 2012, cash-settled award plan for non-managerial grade employees in Singapore, Malaysia and Japan has been replaced by a Restricted Cash Plan (RCP). Under RCP, a cash bonus is distributed to eligible employees at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

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

			← Movements during the year →				
	Balance as at 1 January 2014		Granted	Released+	Lapsed/ Cancelled	Balance as at 31 December 2014	
Year of Award	No. of holders	No. of shares	No. of shares	No. of shares	No. of shares	No. of holders	No. of shares
2011	771	1,548,373	–	(1,524,726)	(23,647)	–	–
2012	603	4,923,506	–	(2,429,139)	(323,741)	602	2,170,626
2013	700	7,042,457	877,187	(1,929,154)	(1,791,296)	625	4,199,194
2014	–	–	11,910,175	(179,004)	(877,493)	1,498	10,853,678
		13,514,336	12,787,362	(6,062,023)	(3,016,177)		17,223,498

+ The number of shares released during the year was 6,062,023, of which 346,750 were cash-settled.

As at 31 December 2014, the number of shares comprised in awards granted under the CapitaLand Restricted Share Plan is as follows:

	Equity-settled	Cash-settled	Total
Final number of shares has not been determined (baseline award) #	9,875,588	978,090	10,853,678
Final number of shares determined but not released	6,138,452	231,368	6,369,820
	16,014,040	1,209,458	17,223,498

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

AUDIT COMMITTEE

The Audit Committee members at the date of this report are Ms Euleen Goh Yiu Kiang (Chairman), Mr James Koh Cher Siang, Tan Sri Amirsham Bin A Aziz and Dr Philip Nalliah Pillai.

The Audit Committee shall discharge its duties in accordance with the Companies Act (Chapter 50) and the Listing Manual of the SGX-ST. The Audit Committee shall also be guided by the Code of Corporate Governance (2 May 2012) and the Guidebook for Audit Committee in Singapore (Second Edition), and any such codes or regulations as may be applicable from time to time.

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

- the reliability and integrity of the financial statements;
- the impact of new, revised or proposed changes in accounting policies or regulatory requirements on the financial statements;
- the compliance with laws and regulations, particularly those of the Act and the Listing Manual of the SGX-ST;
- the appropriateness of quarterly and full year announcements and reports;
- the adequacy of internal controls and evaluation of adherence to such controls;
- the effectiveness and efficiency of internal and external audits;
- the appointment and re-appointment of external auditors and the level of auditors' remuneration;
- the nature and extent of non-audit services and their impact on independence and objectivity of the external auditors;
- interested person transactions;
- the findings of internal investigation, if any;
- the 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 the policy and arrangements by which employees of the Company and any other persons may, in confidence, report suspected fraud or irregularity or suspected infringement of any laws or regulations or rules or, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up to be taken. Where the Audit Committee becomes aware of any improprieties, the Audit Committee shall discuss such matter with the external auditor and, at an appropriate time, report the matter to the Board. Where appropriate, the Audit Committee shall also commission internal investigations into such matters. Pursuant to this, the Audit Committee has introduced a whistle blowing policy where employees may raise improprieties to the Audit Committee Chairman in good faith, with the confidence that employees making such reports will be treated fairly and be protected from reprisal.

The Audit Committee met four times in 2014. 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 any issues of concern with them.

AUDIT COMMITTEE (cont'd)

The Audit Committee has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set by the Group and the Company to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Audit Committee also undertook quarterly reviews of all non-audit services provided by KPMG LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ng Kee Choe
Director

Lim Ming Yan
Director

Singapore
27 February 2015

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 106 to 220 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 2014, and of the results and changes in equity of the Group and of the Company, and of the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

Ng Kee Choe
Director

Lim Ming Yan
Director

Singapore
27 February 2015

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 2014, 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 106 to 220.

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 2014 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
Chartered Accountants

Singapore
27 February 2015

Balance Sheets
As at 31 December 2014

	Note	The Group 31 December 2014 $'000	The Group 31 December 2013 $'000 Restated	The Group 1 January 2013 $'000 Restated	The Company 31 December 2014 $'000	The Company 31 December 2013 $'000
Non-current assets						
Property, plant and equipment	3	1,047,356	666,406	795,863	17,646	12,316
Intangible assets	4	462,970	467,049	459,148	147	147
Investment properties	5	17,149,198	15,495,934	17,882,069	–	–
Subsidiaries	6	–	–	–	12,806,301	12,739,628
Associates	7	8,789,699	9,010,911	7,203,706	–	–
Joint ventures	8	3,991,161	3,662,315	3,905,764	–	–
Deferred tax assets	9	83,526	77,149	94,178	1,370	1,495
Other non-current assets	10(a)	1,009,373	543,305	660,716	–	–
		32,533,283	29,923,069	31,001,444	12,825,464	12,753,586
Current assets						
Development properties for sale and stocks	11	7,673,651	7,382,388	7,510,569	–	–
Trade and other receivables	12	963,445	1,167,361	1,502,888	341,427	1,100,375
Other current assets	10(b)	2,309	196,923	201,370	–	–
Assets held for sale	15	191,403	87,033	–	–	–
Cash and cash equivalents	16	2,749,397	6,306,325	5,820,745	10,753	330,439
		11,580,205	15,140,030	15,035,572	352,180	1,430,814
Less: current liabilities						
Trade and other payables	17	3,069,874	2,889,369	2,509,448	53,945	1,360,493
Short term bank borrowings	19	3,041,494	1,024,912	955,229	–	–
Current portion of debt securities	20	427,665	254,972	66,346	7,669	–
Current tax payable		463,012	478,212	445,849	8,459	8,064
		7,002,045	4,647,465	3,976,872	70,073	1,368,557
Net current assets		4,578,160	10,492,565	11,058,700	282,107	62,257
Less: non-current liabilities						
Long term bank borrowings	19	5,169,172	7,538,248	8,487,576	–	–
Debt securities	20	7,347,487	7,118,031	7,945,247	3,226,447	3,190,458
Deferred tax liabilities	9	730,993	678,989	706,088	20,117	27,063
Other non-current liabilities	21	655,260	625,583	811,009	10,171	14,405
		13,902,912	15,960,851	17,949,920	3,256,735	3,231,926
Net assets		23,208,531	24,454,783	24,110,224	9,850,836	9,583,917
Representing:						
Share capital	23	6,304,146	6,302,207	6,300,011	6,304,146	6,302,207
Revenue reserves		9,616,503	9,459,989	8,964,747	3,250,086	2,992,741
Other reserves	24	837,353	346,673	(118,835)	296,604	288,969
Equity attributable to owners of the Company		16,758,002	16,108,869	15,145,923	9,850,836	9,583,917
Non-controlling interests		6,450,529	8,345,914	8,964,301	–	–
Total equity		23,208,531	24,454,783	24,110,224	9,850,836	9,583,917

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

Income Statements

Year ended 31 December 2014

		The Group		The Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
			Restated		
Continuing operations					
Revenue	26	3,924,598	3,511,033	678,987	587,992
Cost of sales		(2,542,557)	(2,273,946)	–	–
Gross profit		1,382,041	1,237,087	678,987	587,992
Other operating income	27(a)	598,139	676,206	166,782	91,105
Administrative expenses		(411,983)	(407,209)	(112,292)	(91,138)
Other operating expenses		(101,192)	(150,136)	(28,731)	(293,869)
Profit from operations		1,467,005	1,355,948	704,746	294,090
Finance costs	27(d)	(439,473)	(481,677)	(125,706)	(163,253)
Share of results (net of tax) of:					
- associates		626,828	585,932	–	–
- joint ventures		343,107	316,680	–	–
		969,935	902,612	–	–
Profit before tax	27	1,997,467	1,776,883	579,040	130,837
Tax expense	28	(266,908)	(205,138)	6,062	22,606
Profit for the year from continuing operations		1,730,559	1,571,745	585,102	153,443
Discontinued operation					
Profit from discontinued operation, net of tax	39	29,134	33,778	–	–
Profit for the year		1,759,693	1,605,523	585,102	153,443
Attributable to:					
Owners of the Company					
- continuing operations		1,131,714	874,569	585,102	153,443
- discontinued operation		29,134	(34,327)	–	–
		1,160,848	840,242	585,102	153,443
Non-controlling interests		598,845	765,281	–	–
Profit for the year		1,759,693	1,605,523	585,102	153,443
Basic earnings per share (cents) from:					
- continuing operations	29	26.6	20.5		
- discontinued operation	29	0.7	(0.8)		
Total		27.3	19.7		
Diluted earnings per share (cents) from:					
- continuing operations	29	25.3	20.1		
- discontinued operation	29	0.6	(0.7)		
Total		25.9	19.4		

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

Statements of Comprehensive Income

Year ended 31 December 2014

		The Group		The Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
			Restated		
Profit for the year		1,759,693	1,605,523	585,102	153,443
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		359,665	241,373	–	–
Change in fair value of available-for-sale investments		719	(469)	–	–
Effective portion of change in fair value of cash flow hedges		45,072	90,200	–	–
Share of other comprehensive income of associates and joint ventures		91,925	198,305	–	–
Total other comprehensive income for the year, net of tax	25	497,381	529,409	–	–
Total comprehensive income for the year		2,257,074	2,134,932	585,102	153,443
Attributable to:					
Owners of the Company		1,642,138	1,351,069	585,102	153,443
Non-controlling interests		614,936	783,863	–	–
Total comprehensive income for the year		2,257,074	2,134,932	585,102	153,443

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

Statements of Changes in Equity

Year ended 31 December 2014

	Attributable to owners of the Company					
	Share Capital $'000	Revenue Reserves $'000	Other Reserves $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
The Group						
At 1 January 2014, as previously reported	6,302,207	9,429,976	335,726	16,067,909	3,243,034	19,310,943
Effects of changes in accounting policies (note 2.1(a)(vi))	–	30,013	10,947	40,960	5,102,880	5,143,840
At 1 January 2014, as restated	6,302,207	9,459,989	346,673	16,108,869	8,345,914	24,454,783
Total comprehensive income						
Profit for the year	–	1,160,848	–	1,160,848	598,845	1,759,693
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	348,194	348,194	11,471	359,665
Change in fair value of available-for-sale investments	–	–	719	719	–	719
Effective portion of change in fair value of cash flow hedges	–	–	42,377	42,377	2,695	45,072
Share of other comprehensive income of associates and joint ventures	–	–	90,000	90,000	1,925	91,925
Total other comprehensive income, net of tax	–	–	481,290	481,290	16,091	497,381
Total comprehensive income	–	1,160,848	481,290	1,642,138	614,936	2,257,074
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under share plans of the Company	1,939	–	–	1,939	–	1,939
Contributions from non-controlling interests (net)	–	–	–	–	991	991
Issue of perpetual securities by a subsidiary	–	–	–	–	147,995	147,995
Conversion of convertible bonds	–	–	(2,062)	(2,062)	69,862	67,800
Repurchase/Redemption of convertible bonds	–	(11,767)	(3,603)	(15,370)	(33,115)	(48,485)
Dividends paid/payable	–	(340,648)	–	(340,648)	(368,002)	(708,650)
Accrued distribution for perpetual securities issued by a subsidiary	–	(621)	–	(621)	621	–
Share-based payments	–	–	32,531	32,531	16,566	49,097
Cash settlement of share awards by a subsidiary	–	–	–	–	(31,477)	(31,477)
Reclassification of equity compensation reserve	–	40,724	(40,724)	–	–	–
Total contributions by and distributions to owners	1,939	(312,312)	(13,858)	(324,231)	(196,559)	(520,790)
Changes in ownership interests in subsidiaries with a change in control	–	8,207	(8,889)	(682)	182,502	181,820
Changes in ownership interests in subsidiaries with no change in control	–	(647,992)	(28,857)	(676,849)	(2,495,993)	(3,172,842)
Share of reserves of associates and joint ventures	–	(29,360)	37,651	8,291	39	8,330
Others	–	(22,877)	23,343	466	(310)	156
Total transactions with owners	1,939	(1,004,334)	9,390	(993,005)	(2,510,321)	(3,503,326)
At 31 December 2014	6,304,146	9,616,503	837,353	16,758,002	6,450,529	23,208,531

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

Statements of Changes in Equity
Year ended 31 December 2014

	Share Capital $'000	Revenue Reserves $'000	Other Reserves $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
	Attributable to owners of the Company					
The Group						
At 1 January 2013, as previously reported	6,300,011	8,910,445	(130,048)	15,080,408	4,363,376	19,443,784
Effects of changes in accounting policies (note 2.1(a)(vi))	–	54,302	11,213	65,515	4,600,925	4,666,440
At 1 January 2013, as restated	6,300,011	8,964,747	(118,835)	15,145,923	8,964,301	24,110,224
Total comprehensive income						
Profit for the year	–	840,242	–	840,242	765,281	1,605,523
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	284,477	284,477	(43,104)	241,373
Change in fair value of available-for-sale investments	–	–	(469)	(469)	–	(469)
Effective portion of change in fair value of cash flow hedges	–	–	65,074	65,074	25,126	90,200
Share of other comprehensive income of associates and joint ventures	–	–	161,745	161,745	36,560	198,305
Total other comprehensive income, net of tax	–	–	510,827	510,827	18,582	529,409
Total comprehensive income	–	840,242	510,827	1,351,069	783,863	2,134,932
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under share plans of the Company and its subsidiaries	2,196	–	(3,046)	(850)	3,382	2,532
Purchase of treasury shares	–	–	(16,674)	(16,674)	–	(16,674)
Contributions by non-controlling interests (net)	–	–	–	–	331,028	331,028
Equity portion of convertible bonds issued	–	–	70,262	70,262	–	70,262
Conversion of convertible bonds	–	–	(1,032)	(1,032)	33,672	32,640
Repurchase of convertible bonds	–	9,887	(158,173)	(148,286)	–	(148,286)
Dividends paid/payable	–	(298,010)	–	(298,010)	(355,467)	(653,477)
Share-based payments	–	–	24,526	24,526	13,150	37,676
Total contributions by and distributions to owners	2,196	(288,123)	(84,137)	(370,064)	25,765	(344,299)
Changes in ownership interests in subsidiaries with a change in control	–	(16,600)	16,600	–	(1,345,722)	(1,345,722)
Changes in ownership interests in subsidiaries with no change in control	–	(24,637)	8,247	(16,390)	(88,062)	(104,452)
Share of reserves of associates and joint ventures	–	(12,820)	11,284	(1,536)	(178)	(1,714)
Others	–	(2,820)	2,687	(133)	5,947	5,814
Total transactions with owners	2,196	(345,000)	(45,319)	(388,123)	(1,402,250)	(1,790,373)
At 31 December 2013	6,302,207	9,459,989	346,673	16,108,869	8,345,914	24,454,783

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

Statements of Changes in Equity
Year ended 31 December 2014

	Attributable to owners of the Company					
	Share Capital $'000	Revenue Reserves $'000	Reserve For Own Shares $'000	Capital Reserves $'000	Equity Compensation Reserve $'000	Total Equity $'000
The Company						
At 1 January 2014	6,302,207	2,992,741	(51,691)	287,245	53,415	9,583,917
Total comprehensive income						
Profit for the year	–	585,102	–	–	–	585,102
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under share plans of the Company	1,939	–	–	–	–	1,939
Issue of treasury shares	–	–	14,702	–	(2,368)	12,334
Dividends paid	–	(340,648)	–	–	–	(340,648)
Share-based payments	–	–	–	–	8,456	8,456
Reclassification of equity compensation reserve	–	12,891	–	–	(13,155)	(264)
Total transactions with owners	1,939	(327,757)	14,702	–	(7,067)	(318,183)
At 31 December 2014	6,304,146	3,250,086	(36,989)	287,245	46,348	9,850,836
At 1 January 2013	6,300,011	3,125,358	(49,366)	383,490	46,701	9,806,194
Total comprehensive income						
Profit for the year	–	153,443	–	–	–	153,443
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under share plans of the Company	2,196	–	–	–	–	2,196
Issue of treasury shares	–	–	14,349	–	(1,466)	12,883
Purchase of treasury shares	–	–	(16,674)	–	–	(16,674)
Dividends paid	–	(298,010)	–	–	–	(298,010)
Equity portion of convertible bonds issued	–	–	–	79,526	–	79,526
Repurchase of convertible bonds	–	11,950	–	(175,771)	–	(163,821)
Share-based payments	–	–	–	–	8,180	8,180
Total transactions with owners	2,196	(286,060)	(2,325)	(96,245)	6,714	(375,720)
At 31 December 2013	6,302,207	2,992,741	(51,691)	287,245	53,415	9,583,917

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

Consolidated Statement of Cash Flows

Year ended 31 December 2014

	2014 $'000	2013 $'000 Restated
Cash flows from operating activities		
Profit after tax	1,759,693	1,605,523
Adjustments for:		
Accretion of deferred income	–	(428)
Allowance for/(Writeback of):		
- doubtful receivables	(579)	9,044
- foreseeable losses	82,811	99,206
- impairment on interests in associates and joint ventures	61,903	56,007
- impairment on property, plant and equipment	416	13,228
Amortisation and impairment of intangible assets	4,901	5,930
Depreciation of property, plant and equipment	64,620	62,803
Finance costs	439,473	539,916
Loss on repurchase of convertible bonds	2,713	44,639
Gain from bargain purchase	(12,790)	(6,278)
(Gain)/Loss on disposal of property, plant and equipment	(177)	184
(Gain)/Loss on disposal of investment properties	(2,296)	12,578
Interest income	(57,288)	(81,962)
Net change in fair value of investment properties and assets held for sale	(456,921)	(461,458)
Net change in fair value of financial derivatives	(1,356)	(9,149)
Net (gain)/loss on disposal/liquidation/dilution of equity investments and other financial assets	(21,690)	23,723
Share of results of associates and joint ventures	(986,235)	(924,989)
Share-based expenses	52,720	38,872
Tax expense	273,133	205,138
	(556,642)	(372,996)
Operating profit before working capital changes	1,203,051	1,232,527
Changes in working capital:		
Trade and other receivables	69,736	40,220
Development properties for sale	(149,335)	(234,181)
Trade and other payables	118,349	153,849
Restricted bank deposits	13,153	(13,584)
	51,903	(53,696)
Cash generated from operations	1,254,954	1,178,831
Income tax paid	(256,238)	(222,643)
Net cash generated from operating activities	998,716	956,188

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

Consolidated Statement of Cash Flows
Year ended 31 December 2014

	Note	2014 $'000	2013 $'000 Restated
Cash flows from investing activities			
Acquisition/Development expenditure of investment properties		(935,060)	(661,153)
Acquisitions of subsidiaries, net of cash acquired	31(b)	(366,939)	(679,499)
Repayment from investee companies and other receivables		83,333	57,095
Deposits placed for new investments		(437,644)	(126,374)
Disposals of subsidiaries, net of cash disposed of	31(d)	3,769	705,373
Dividends received from associates and joint ventures		405,820	438,687
Interest income received		34,720	84,039
(Investments in)/Repayment of loans by associates and joint ventures		(215,101)	334,905
Proceeds from disposal of investment properties and assets held for sale		15,656	262,954
Proceeds from disposal of property, plant and equipment		2,562	3,881
Proceeds from disposal of associates, joint ventures and other financial assets		1,204,224	31,115
Purchase of property, plant and equipment		(129,158)	(80,479)
Settlement of hedging instruments		(5,245)	(594)
Net cash (used in)/generated from investing activities		(339,063)	369,950
Cash flows from financing activities			
Repayment of shareholder loans from non-controlling interests		(58,615)	(108,296)
Contributions from non-controlling interests		991	319,959
Dividends paid to non-controlling interests		(363,998)	(389,672)
Dividends paid to shareholders		(340,648)	(298,010)
Interest expense paid		(477,899)	(639,141)
Payments for acquisition of ownership interests in subsidiaries with no change in control		(3,171,269)	(127,803)
Proceeds from issue of perpetual securities		148,498	–
Proceeds from bank borrowings		3,739,098	3,623,201
Proceeds from issue of debt securities and convertible bonds		712,657	1,519,720
Proceeds from issue of shares under options		1,383	1,638
Purchase of treasury shares		–	(16,674)
Repayments of finance lease payables		(3,676)	(3,545)
Repayments of bank borrowings		(3,974,957)	(2,742,477)
Repayments of debt securities and convertible bonds		(444,363)	(2,008,136)
Bank deposits pledged for bank facility		(38,782)	–
Net cash used in financing activities		(4,271,580)	(869,236)
Net (decrease)/increase in cash and cash equivalents		(3,611,927)	456,902
Cash and cash equivalents at beginning of the year		6,288,631	5,816,635
Effect of exchange rate changes on cash balances held in foreign currencies		29,369	15,094
Cash and cash equivalents at end of the year	16	2,706,073	6,288,631

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

Notes to the Financial Statements

Year ended 31 December 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 February 2015.

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 2.6, Note 5	–	classification of investment properties
Note 6	–	consolidation; whether the Group has control over an investee
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 2.4	–	determination of useful lives of property, plant and equipment
Note 3	–	estimation of residual value of serviced residence properties
Note 4	–	measurement of recoverable amounts of goodwill
Note 5, Note 34	–	determination of fair value of investment properties
Note 11	–	estimation of the percentage of completion of the projects' attributable profits for development properties for sale and allowance for foreseeable losses

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation *(cont'd)*

Note 22	–	measurement of share-based payments
Note 32	–	determination of fair value of assets, liabilities and contingent liabilities acquired in business combinations
Note 34	–	determination of fair value of financial instruments.

(a) Changes in accounting policies

(i) Subsidiaries

From 1 January 2014, as a result of the adoption of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group assessed that it controls CapitaCommercial Trust (CCT), CapitaMalls Malaysia Trust (CMMT) and Ascott Residence Trust (ART), although the Group owns less than half of the ownership interest and voting power of CCT, CMMT and ART. The activities of CCT, CMMT and ART are managed by the Group's wholly-owned subsidiaries, namely, CapitaCommercial Trust Management Limited, CapitaMalls Malaysia REIT Management Sdn Bhd and Ascott Residence Trust Management Limited respectively (REIT Managers). REIT Managers have decision-making authority over CCT, CMMT and ART, subject to oversight by the trustee of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and their interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure. Accordingly, the Group concluded that it has control over these investees and consolidated these entities, which were previously accounted for as associates using the equity method.

The Group applied the acquisition accounting to these investments since acquisition dates, and restated the relevant amounts as if these investees had been consolidated from that date. The quantitative impact of the change is set out in note 2.1(a)(vi).

(ii) Joint Arrangements

FRS 111 *Joint Arrangements* establishes the principles for classification and accounting of joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations. As the Group is currently applying the equity method of accounting for its joint ventures, there is no impact to the Group's profit or net assets.

(iii) Disclosure of interests in other entities

FRS 112 *Disclosure of Interests in Other Entities* sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

From 1 January 2014, as a result of FRS 112, the Group has expanded its disclosures about its interests in subsidiaries (note 6), associates (note 7) and joint ventures (note 8).

(iv) Disclosures of recoverable amount for non-financial assets

From 1 January 2014, as a result of the Amendments to FRS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*, the Group has expanded its disclosures of recoverable amounts when they are based on fair value less costs of disposals (note 4).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation *(cont'd)*

(a) Changes in accounting policies *(cont'd)*

(v) Offsetting of financial assets and financial liabilities

Under the Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, to qualify for offsetting, the right to set off a financial asset and financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

There is no financial impact to the Company and the Group's statement of financial position arising from the adoption of amendments to FRS 32.

(vi) Summary of quantitative impact

The following tables summarise the impact of the above changes on the Group's financial position, profit or loss and cash flows. The changes in accounting policies had an immaterial impact on earnings per share for the current and comparative periods.

The Group has taken advantage of the transitional provisions of FRS 110, and has not included in the following tables the impact of consolidating the additional subsidiaries on the Group's financial position, profit or loss and cash flows as at and for the year ended 31 December 2014.

Balance Sheet

	As previously reported $'000	Subsidiaries (note 2.1(a)(i)) $'000	As restated $'000
The Group			
1 January 2013			
Property, plant and equipment	1,263,615	(467,752)	795,863
Intangible assets	462,093	(2,945)	459,148
Investment properties	7,969,402	9,912,667	17,882,069
Associates	9,692,297	(2,488,591)	7,203,706
Joint ventures	2,818,985	1,086,779	3,905,764
Deferred tax assets	91,595	2,583	94,178
Other non-current assets	795,713	(134,997)	660,716
Development properties for sale and stocks	7,510,093	476	7,510,569
Trade and other receivables	1,484,753	18,135	1,502,888
Other current assets	201,370	–	201,370
Cash and cash equivalents	5,497,693	323,052	5,820,745
Total assets	37,787,609	8,249,407	46,037,016
Trade and other payables	2,359,598	149,850	2,509,448
Short term bank borrowings	765,826	189,403	955,229
Current portion of debt securities	16,346	50,000	66,346
Current tax payable	432,489	13,360	445,849
Long term bank borrowings	6,617,114	1,870,462	8,487,576
Debt securities	6,780,492	1,164,755	7,945,247
Deferred tax liabilities	658,989	47,099	706,088
Other non-current liabilities	712,971	98,038	811,009
Total liabilities	18,343,825	3,582,967	21,926,792
Share capital	6,300,011	–	6,300,011
Revenue reserves	8,910,445	54,302	8,964,747
Other reserves	(130,048)	11,213	(118,835)
Non-controlling interests	4,363,376	4,600,925	8,964,301
Total equity	19,443,784	4,666,440	24,110,224

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(a) Changes in accounting policies (cont'd)

(vi) Summary of quantitative impact (cont'd)

Balance Sheet (cont'd)

	As previously reported $'000	Subsidiaries (note 2.1(a)(i)) $'000	As restated $'000
The Group			
31 December 2013			
Property, plant and equipment	1,079,239	(412,833)	666,406
Intangible assets	470,735	(3,686)	467,049
Investment properties	4,935,194	10,560,740	15,495,934
Associates	11,750,550	(2,739,639)	9,010,911
Joint ventures	2,525,352	1,136,963	3,662,315
Deferred tax assets	73,477	3,672	77,149
Other non-current assets	657,124	(113,819)	543,305
Development properties for sale and stocks	7,382,023	365	7,382,388
Trade and other receivables	1,164,115	3,246	1,167,361
Assets held for sale	–	87,033	87,033
Other current assets	196,923	–	196,923
Cash and cash equivalents	5,920,152	386,173	6,306,325
Total assets	36,154,884	8,908,215	45,063,099
Trade and other payables	2,680,483	208,886	2,889,369
Short term bank borrowings	939,310	85,602	1,024,912
Current portion of debt securities	254,972	–	254,972
Current tax payable	472,711	5,501	478,212
Long term bank borrowings	5,421,543	2,116,705	7,538,248
Debt securities	5,946,962	1,171,069	7,118,031
Deferred tax liabilities	611,133	67,856	678,989
Other non-current liabilities	516,827	108,756	625,583
Total liabilities	16,843,941	3,764,375	20,608,316
Share capital	6,302,207	–	6,302,207
Revenue reserves	9,429,976	30,013	9,459,989
Other reserves	335,726	10,947	346,673
Non-controlling interests	3,243,034	5,102,880	8,345,914
Total equity	19,310,943	5,143,840	24,454,783

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(a) Changes in accounting policies (cont'd)

(vi) Summary of quantitative impact (cont'd)

Income Statement

	As previously reported^ $'000	Subsidiaries (note 2.1(a)(i)) $'000	As restated $'000
The Group			
Year ended 31 December 2013			
Revenue	2,967,030	544,003	3,511,033
Cost of sales	(2,136,498)	(137,448)	(2,273,946)
Other operating income	302,448	373,758	676,206
Administrative expenses	(379,673)	(27,536)	(407,209)
Other operating expenses	(72,304)	(77,832)	(150,136)
Finance costs	(386,251)	(95,426)	(481,677)
Share of results of associates (net of tax)	831,764	(245,832)	585,932
Share of results of joint ventures (net of tax)	193,227	123,453	316,680
Tax expense	(168,908)	(36,230)	(205,138)
Profit from continuing operations	1,150,835	420,910	1,571,745
Profit from discontinued operation	33,778	–	33,778
Profit for the year	1,184,613	420,910	1,605,523
Non-controlling interests	(334,818)	(430,463)	(765,281)
Profit attributable to owners of the Company	849,795	(9,553)	840,242

^ The comparative income statement has been restated to take into account the re-presentation of Australand's results as "discontinued operation" in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operation (note 39)*.

Consolidated Statement of Cash Flows

	As previously reported $'000	Subsidiaries (note 2.1(a)(i)) $'000	As restated $'000
The Group			
Year ended 31 December 2013			
Net cash generated from operating activities	522,991	433,197	956,188
Net cash generated from investing activities	696,081	(326,131)	369,950
Net cash used in financing activities	(828,069)	(41,167)	(869,236)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Basis of consolidation

(a) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the profit or loss.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Basis of consolidation *(cont'd)*

(c) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are entities over whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are accounted for using the equity method (collectively referred to as equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

(d) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) 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.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

2.3 Foreign currencies

Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising from retranslation are recognised in the profit or loss, except for differences arising from the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation, available-for-sale equity instruments and financial liabilities designated as hedges of net investment in a foreign operation (note 2.8) or qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisitions, are translated to Singapore Dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the end of the reporting period.

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

Net investment in a foreign operation

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings (excluding serviced residence properties)	Lease period ranging from 30 years to 50 years
Plant, machinery and improvements, furniture, fittings and equipment	3 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	2 to 5 years

For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. The intended holding period (the period from the date of commencement of serviced residence operations to the date of expected strategic divestment of the properties) ranges from three to five years. No depreciation is recognised where the residual value is higher than the carrying amount.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if appropriate.

2.5 Intangible assets

(a) Goodwill

Acquisition on or after 1 January 2010

For business combinations on or after 1 January 2010, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a gain on bargain purchase is recognised in the profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Intangible assets *(cont'd)*

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 2.11. 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.

(b) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. These are amortised in the profit or loss on a straight-line basis over their estimated useful lives of one to 10 years, from the date on which the assets are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less accumulated impairment losses.

2.6 Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets. Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The fair value is determined based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every three years.

When an investment property or investment property under development is disposed off, the resulting gain or loss recognised in the profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

2.7 Non-current assets held for sale or distribution

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the applicable FRSs. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial instruments

(a) Non-derivative financial assets

Non-derivative financial assets comprise investments in equity and debt securities, trade and other receivables and cash and cash equivalents.

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

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

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in the profit or loss.

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets and are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses (note 2.8(e)) and foreign exchange gains and losses on available-for-sale monetary items (note 2.3), are recognised directly in other comprehensive income and presented in the available-for-sale reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to the profit or loss.

Investments in equity securities whose fair value cannot be reliably measured are measured at cost less accumulated impairment loss.

Loans and receivables

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

Cash and cash equivalents

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial instruments *(cont'd)*

(a) Non-derivative financial assets *(cont'd)*

Non-derivative financial liabilities

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

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

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

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

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

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

(b) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial instruments *(cont'd)*

(b) Derivative financial instruments and hedging activities *(cont'd)*

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance is reclassified to profit or loss.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in 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.

(c) Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss. In an exchange of convertible bond, the difference between the net proceeds of new convertible bond and the carrying value of the existing convertible bond (including its equity component) is recognised in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial instruments (cont'd)

(d) Financial guarantees

Financial guarantee contracts are classified as financial liabilities unless the Group 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 estimates 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.

(e) Impairment of financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has been occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial instruments *(cont'd)*

(e) Impairment of financial assets *(cont'd)*

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 the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the available-for-sale reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the profit or loss. Changes in impairment provision attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in the profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2.11. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

2.9 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, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own shares account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

2.10 Development properties for sale and stocks

Development properties for sale and stocks are stated at the lower of cost plus, where appropriate, a portion of the attributable profit (note 2.15), 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties for sale and stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, an impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

2.12 Employee benefits

All short term employee benefits, including accumulated compensated absences, are measured on an undiscounted basis and are recognised in the period in which the employees render their services.

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

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 *Employee benefits (cont'd)*

Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense 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.

2.13 *Provision*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

2.14 *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 (note 2.4) or investment properties (note 2.6).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 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.

Development properties for sale

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

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

Financial advisory and management fee

Financial advisory and management fee is recognised as and when the service is rendered.

Dividends

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

Interest income

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

2.16 Finance costs

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

2.17 Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Tax (cont'd)

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.18 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.

2.19 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive Management Council that makes strategic resource allocation decisions. The Council comprises the President & Group Chief Executive Officer (CEO), all CEOs of business units and key management officers of the Corporate Office.

2.20 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if operation had been discontinued from the start of the comparative year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company. The Group does not plan to adopt these standards early.

3 PROPERTY, PLANT AND EQUIPMENT

	Serviced residence properties $'000	Other leasehold buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group							
Cost							
At 1 January 2014, as restated	471,912	34,291	59,375	2,924	374,126	23,795	966,423
Translation differences	(2,873)	–	(752)	22	(6,611)	(754)	(10,968)
Additions	5,530	–	15,235	94	65,972	39,909	126,740
Acquisition of subsidiaries	88,002	–	15	98	6,928	111	95,154
Disposal of subsidiaries	–	–	(31)	–	(6)	–	(37)
Disposals/Written off	(1,044)	–	(10,687)	(174)	(29,319)	(141)	(41,365)
Reclassification from/(to) other category of assets	(18,146)	244,193	(26)	–	6,722	(371)	232,372
Reclassifications	(2,425)	–	3,461	–	1,347	(2,383)	–
At 31 December 2014	540,956	278,484	66,590	2,964	419,159	60,166	1,368,319
Accumulated depreciation and impairment loss							
At 1 January 2014, as restated	15,403	15,383	42,368	1,478	225,385	–	300,017
Translation differences	641	–	(1,047)	(1)	(4,210)	–	(4,617)
Depreciation for the year	2,599	3,381	5,726	435	52,479	–	64,620
Disposal of subsidiaries	–	–	(5)	–	(1)	–	(6)
Disposals/Written off	(597)	–	(10,304)	(160)	(27,887)	–	(38,948)
Reclassification to other category of assets	–	–	–	–	(103)	–	(103)
Reclassifications	(158)	–	158	–	–	–	–
At 31 December 2014	17,888	18,764	36,896	1,752	245,663	–	320,963
Carrying amounts							
At 1 January 2014, as restated	456,509	18,908	17,007	1,446	148,741	23,795	666,406
At 31 December 2014	523,068	259,720	29,694	1,212	173,496	60,166	1,047,356

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Serviced residence properties $'000	Leasehold land $'000	Other leasehold buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
The Group								
Cost								
At 1 January 2013, as restated	449,046	841	32,523	48,813	2,909	399,956	141,195	1,075,283
Translation differences	22,978	–	–	1,426	43	3,564	51	28,062
Additions	1,280	–	5,555	2,914	470	53,293	18,396	81,908
Acquisition of subsidiaries	–	–	–	498	419	6,015	78	7,010
Disposal of subsidiaries	–	–	–	–	–	(69,576)	–	(69,576)
Disposals/Written off	–	(841)	(3,787)	(4,446)	(872)	(17,013)	(49)	(27,008)
Reclassification to other category of assets	(1,040)	–	–	–	–	(2,288)	(125,928)	(129,256)
Reclassifications	(352)	–	–	10,170	(45)	175	(9,948)	–
At 31 December 2013	471,912	–	34,291	59,375	2,924	374,126	23,795	966,423
Accumulated depreciation and impairment loss								
At 1 January 2013, as restated	1,393	91	15,013	38,886	1,480	222,557	–	279,420
Translation differences	(702)	–	–	1,285	328	3,760	–	4,671
Impairment	12,340	–	–	–	–	–	–	12,340
Depreciation for the year	2,372	–	2,086	5,087	409	52,849	–	62,803^
Disposal of subsidiaries	–	–	–	–	–	(34,502)	–	(34,502)
Disposals/Written off	–	(91)	(1,716)	(3,881)	(800)	(16,295)	–	(22,783)
Reclassification to other category of assets	–	–	–	–	–	(1,932)	–	(1,932)
Reclassifications	–	–	–	991	61	(1,052)	–	–
At 31 December 2013	15,403	–	15,383	42,368	1,478	225,385	–	300,017
Carrying amounts								
At 1 January 2013, as restated	447,653	750	17,510	9,927	1,429	177,399	141,195	795,863
At 31 December 2013, as restated	456,509	–	18,908	17,007	1,446	148,741	23,795	666,406

^ Depreciation in 2013 included $6.0 million relating to a discontinued operation.

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) As at 31 December 2014, certain property, plant and equipment with carrying value totalling approximately $329.3 million (2013: $345.2 million) were mortgaged to banks to secure credit facilities for the Group (note 19).

(b) In 2014, the Group transferred a portion of an investment property amounting to $251.3 million to property, plant and equipment. The amount transferred represented the area that was owner-occupied.

(c) In 2013, the Group transferred $125.9 million of assets under construction that were under property, plant and equipment to investment properties under development as the property ceased to be owner-occupied.

(d) In 2013, the Group recognised an impairment loss of $12.3 million relating to a piece of land in India. The recoverable amount was determined based on fair value less costs to sell using valuations performed by independent valuers. The direct comparison method was adopted in deriving the valuations and fair value measurement is categorised as Level 3 on the fair value hierarchy. The loss was recognised in "Other Operating Expenses" in the profit or loss.

(e) Residual values of serviced residence properties at the end of the intended holding period are determined based on annual independent professional valuations using discounted cashflow method. The fair value measurement is categorised as Level 3 on the fair value hierarchy. Residual value is the estimated amount that the Group would obtain from the disposal of a property if the property is already of the age and in the condition expected at the date when the Group has the intention to dispose that property. The key assumptions used to determine the residual values of serviced residence properties include market corroborated capitalisation yield, terminal yield, discount rate and revenue per available unit (RevPau). In relying on valuation reports, management is satisfied that the valuation methods and estimates are reflective of current market conditions. Details of valuation techniques and significant unobservable inputs are set out in the table below.

Type	**Valuation method**	**Key unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Serviced residence properties located in Europe and Hong Kong.	Discounted cashflow approach	- Discount rate: 2014: 7.0% to 7.8% (2013: 7.8% to 8.5%) - Terminal yield rate: 2014: 3.5% to 5.8% (2013: 5.3% to 6.0%) - RevPau: 2014: $274 to $519 (2013: $322 to $578)	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with higher RevPau.

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Renovations and improvements $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
The Company				
Cost				
At 1 January 2014	12,068	32,760	527	45,355
Additions	1,229	11,094	–	12,323
Disposals/Written off	(4,782)	(2,480)	–	(7,262)
At 31 December 2014	8,515	41,374	527	50,416
Accumulated depreciation and impairment loss				
At 1 January 2014	11,751	20,998	290	33,039
Depreciation for the year	326	6,497	73	6,896
Disposals/Written off	(4,739)	(2,426)	–	(7,165)
At 31 December 2014	7,338	25,069	363	32,770
Carrying amounts				
At 1 January 2014	317	11,762	237	12,316
At 31 December 2014	1,177	16,305	164	17,646
Cost				
At 1 January 2013	11,887	29,270	527	41,684
Additions	230	4,233	–	4,463
Disposals/Written off	(49)	(743)	–	(792)
At 31 December 2013	12,068	32,760	527	45,355
Accumulated depreciation and impairment loss				
At 1 January 2013	11,665	15,401	218	27,284
Depreciation for the year	135	6,317	72	6,524
Disposals/Written off	(49)	(720)	–	(769)
At 31 December 2013	11,751	20,998	290	33,039
Carrying amounts				
At 1 January 2013	222	13,869	309	14,400
At 31 December 2013	317	11,762	237	12,316

4 INTANGIBLE ASSETS

	Note	Goodwill $'000	Others^ $'000	Total $'000
The Group				
Cost				
At 1 January 2014, as restated		512,063	44,290	556,353
Additions		501	343	844
Disposals/Written off		(977)	(57)	(1,034)
Translation differences		(703)	(165)	(868)
At 31 December 2014		510,884	44,411	555,295
Accumulated amortisation and impairment loss				
At 1 January 2014, as restated		64,688	24,616	89,304
Amortisation for the year	27(c)(ii)	–	4,877	4,877
Impairment	27(c)(iii)	–	24	24
Disposals/Written off		(977)	(57)	(1,034)
Translation differences		(637)	(209)	(846)
At 31 December 2014		63,074	29,251	92,325
Carrying amounts				
At 1 January 2014, as restated		447,375	19,674	467,049
At 31 December 2014		447,810	15,160	462,970
Cost				
At 1 January 2013, as restated		499,307	44,332	543,639
Acquisition of a subsidiary	31(b)	13,214	–	13,214
Additions		–	158	158
Disposals		–	(8)	(8)
Translation differences		(458)	(192)	(650)
At 31 December 2013		512,063	44,290	556,353
Accumulated amortisation and impairment loss				
At 1 January 2013, as restated		65,979	18,512	84,491
Amortisation for the year	27(c)(ii)	–	5,840	5,840
Impairment	27(c)(iii)	–	90	90
Translation differences		(1,291)	174	(1,117)
At 31 December 2013		64,688	24,616	89,304
Carrying amounts				
At 1 January 2013, as restated		433,328	25,820	459,148
At 31 December 2013, as restated		447,375	19,674	467,049

^ Others comprise trademarks, franchises, patents, licences, club memberships and the unamortised yield stabilisation sum received in relation to an investment property.

4 INTANGIBLE ASSETS (cont'd)

	Goodwill $'000	Others^ $'000	Total $'000
The Company			
Cost and carrying amount			
At 1 January 2013, 31 December 2013 and 31 December 2014	–	147	147

^ Others comprise club memberships.

Impairment test for Goodwill

For the purpose of goodwill impairment testing, the carrying amounts of goodwill allocated to the cash-generating units (CGU) as at 31 December were as follows:

	Capitalisation Rates		Terminal Growth Rates		Discount Rates		Carrying Value	
	2014 %	2013 %	2014 %	2013 %	2014 %	2013 %	2014 $'000	2013 $'000
								Restated
The Ascott Limited (Ascott)	–	–	2.1	1.5	7.0	6.5	416,706	416,706
A serviced residence in London	–	–	2.5	2.5	7.8	7.8	17,389	17,455
Self-storage business in Singapore	7.3 to 8.1	–	–	9.9	–	9.9	13,715	13,214
At 31 December							447,810	447,375

Ascott and a serviced residence in London

The recoverable amounts of the CGUs are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three to five years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rates applied are the weighted average cost of capital from the relevant business segment. The key assumptions are those relating to expected changes in average rental rates and occupancy and direct costs. The terminal growth rates used for each CGU are within management's expectation of the long term average growth rates of the respective industry and countries in which the CGUs operate.

Self-storage business in Singapore

The recoverable amount of the CGU is based on fair value less costs of disposal, estimated using the capitalisation approach. The fair value measurement was categorised as Level 3 on the fair value hierarchy. The capitalisation approach capitalises the income stream into a present value using a single-year capitalisation rate. The capitalisation rate was based on the nature, location, tenure, tenancy profile of the property together with the prevailing property market conditions. References were made to yields derived from industrial property transactions and capitalisation rates adopted by industrial real estate investment trusts (REITs) in their recent portfolio valuation.

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 2014 $'000	The Group 2013 $'000 Restated
At 1 January, as restated		15,495,934	17,882,069
Acquisition of subsidiaries	31(b)	363,514	746,708
Disposal of subsidiaries	31(d)	–	(3,376,949)
Additions		1,061,907	829,622
Disposals		(89,175)	(276,620)
Reclassification from/(to) development properties for sale		232,070	(453,211)
Reclassification to asset held for sale		–	(86,471)
Reclassification (to)/from property, plant and equipment		(232,475)	125,855
Changes in fair value		451,095	461,458^
Translation differences		(133,672)	(356,527)
At 31 December		17,149,198	15,495,934

^ Included $16.3 million relating to a discontinued operation.

(a) Investment properties, which include those in the course of development are stated at fair value based on independent professional valuations or internal valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the residual method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. Details of valuation methods and key assumptions used to estimate the fair values of investment properties are set out in note 34.

(b) As at 31 December 2014, investment properties valued at $1,761.8 million (2013: $2,106.9 million) were under development.

(c) As at 31 December 2014, certain investment properties with carrying value of approximately $9,021.5 million (2013: $7,421.2 million) were mortgaged to banks to secure credit facilities (notes 19 and 20) and under finance lease arrangements for the Group.

(d) During the financial year ended 31 December 2014, interest capitalised as cost of investment properties amounted to approximately $39.7 million (2013: $53.9 million) (note 27(d)).

5 INVESTMENT PROPERTIES (cont'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	
	2014 $'000	**2013 $'000**
Lease rentals receivable:		
Not later than 1 year	589,242	538,246
Between 1 and 5 years	1,294,963	940,382
After 5 years	180,075	111,090
	2,064,280	1,589,718

(f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to $15.8 million for the year (2013: $7.0 million).

6 SUBSIDIARIES

	The Company	
	2014 $'000	**2013 $'000**
(a) Unquoted shares, at cost	6,957,295	7,439,486
Less:		
Allowance for impairment loss	(239,064)	(278,992)
	6,718,231	7,160,494
Add:		
Amounts due from subsidiaries:		
Loan accounts		
- interest bearing	3,101,250	3,101,250
- interest free	3,245,518	2,737,322
Less:		
Allowance for doubtful receivables	(258,698)	(259,438)
	6,088,070	5,579,134
	12,806,301	12,739,628

(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 2014, the effective interest rates for amounts due from subsidiaries ranged from 1.85% to 2.95% (2013: 1.85% to 2.95%) per annum.

6 SUBSIDIARIES (cont'd)

(a) Unquoted shares, at cost (cont'd)

(iii) Movements in allowance for impairment loss were as follows:

		The Company	
	Note	2014 $'000	2013 $'000
At 1 January		(278,992)	(87,459)
Allowance during the year	27(c)(iii)	(9,832)	(191,961)
Reversal of allowance during the year	27(a)	49,760	–
Allowance utilised upon disposal of a subsidiary		–	428
At 31 December		(239,064)	(278,992)

The allowance for impairment loss amounting to $9.8 million for 2014 (2013: $192.0 million) was recognised in respect of the Company's investments in certain subsidiaries as a result of losses incurred by these subsidiaries in their underlying investments. These investments are mainly in the non-core markets and the Group has taken impairments on the value of these investments in view of the deteriorating economic condition of these markets. The recoverable amounts for each of the relevant subsidiaries were estimated based on the higher of the value in use calculations using cash flow projections based on forecasts covering a three-year period, or the fair value of the net assets as at balance sheet date.

In 2014, a reversal of impairment of $49.8 million was recognised in respect of a subsidiary as a result of an increase in the recoverable amount. The recoverable amount was determined based on fair value less costs of disposal. The fair value measurement was estimated using the net tangible assets and categorised as Level 3 on the fair value hierarchy. The higher recoverable amount is due to better operating performance of the subsidiary as a result of the improved market conditions in the country where the subsidiary operates.

(iv) The movements in allowances for doubtful receivables in respect of the amounts due from subsidiaries were as follows:

		The Company	
	Note	2014 $'000	2013 $'000
At 1 January		(259,438)	(186,247)
Allowance during the year		(22,197)	(73,191)
Reversal of allowance during the year	27(a)	22,937	–
At 31 December		(258,698)	(259,438)

The allowance/(reversal of allowance) for doubtful receivables were made based on estimated future cash flow recoveries.

6 SUBSIDIARIES (cont'd)

(b) The significant subsidiaries directly and indirectly held by the Company, which are incorporated and conducting business in the Republic of Singapore, are as set out below:

Name of Company	Effective interest 2014 %	Effective interest 2013 %
CapitaLand China Holdings Pte Ltd[1]	100	100
CapitaLand Regional Investments Limited	100	100
CapitaLand Residential Limited	100	100
CapitaLand Singapore Limited	100	100
CapitaLand Treasury Limited	100	100
CapitaMalls Asia Limited	100[2]	65.4
Sound Investment Holdings Pte Ltd	100	–
The Ascott Limited	100	100

All the above subsidiaries are audited by KPMG LLP Singapore.

1 Indirectly held through CapitaLand Residential Limited.

2 Includes 34.7% interest indirectly held through Sound Investment Holdings Pte Ltd.

(c) The following subsidiaries of the Group have material non-controlling interests (NCI):

Name of Company	Principal place of business	Effective interest held by NCI 2014 %	Effective interest held by NCI 2013 %
CapitaCommercial Trust[1]	Singapore	68.3	67.9
Ascott Residence Trust[2]	Asia Pacific and Europe	54.2	54.7
CapitaMalls Asia Limited	Singapore and China	–[3]	34.6

All the above subsidiaries are audited by KPMG LLP Singapore.

1 Indirectly held through CapitaLand Singapore Limited.

2 Indirectly held through The Ascott Limited.

3 CapitaMalls Asia Limited has become a 100% owned subsidiary during the year.

Although the Group owns less than half of the ownership interest and voting power of ART and CCT, management has determined that the Group has control over these investees as the Group has ability to direct the activities of these investees that significantly affect the Group's overall exposure to variable return in these investees (note 2.1(a)(i)).

6 SUBSIDIARIES (cont'd)

The following table summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	CCT Group $'000	ART Group $'000	Other subsidiaries with individually immaterial NCI $'000	Total $'000
2014				
Revenue	262,608	357,205		
Profit after tax	448,882	130,372		
Other comprehensive income	3,023	(7,710)		
Total comprehensive income	451,905	122,662		
Attributable to NCI:				
- Profit	305,157	74,331	219,357	598,845
- Total comprehensive income	306,412	69,729	238,795	614,936
Current assets	139,430	316,972		
Non-current assets	6,381,629	3,804,920		
Current liabilities	(328,795)	(375,728)		
Non-current liabilities	(1,038,776)	(1,392,928)		
Net assets	5,153,488	2,353,236		
Net assets attributable to NCI	3,519,192	1,389,495	1,541,842	6,450,529
Cash flows from:				
- Operating activities	188,505	152,551		
- Investing activities	51,702	(460,624)		
- Financing activities[1]	(223,186)	298,077		
Net increase/(decrease) in cash and cash equivalents	17,021	(9,996)		
[1] Includes dividends paid to NCI	(165,316)	(66,513)		

6 SUBSIDIARIES (cont'd)

	CMA $'000	CCT Group $'000	ART Group $'000	Other subsidiaries with individually immaterial NCI $'000	Total $'000
2013					
Revenue	640,688	251,463	316,609		
Profit after tax	660,366	374,590	215,354		
Other comprehensive income	176,895	9,728	29,798		
Total comprehensive income	837,261	384,318	245,152		
Attributable to NCI:					
- Profit	283,292	254,736	120,789	106,464	765,281
- Total comprehensive income	324,519	257,392	135,925	66,027	783,863
Current assets	1,777,990	117,786	323,853		
Non-current assets	10,669,831	6,127,695	3,258,144		
Current liabilities	(632,226)	(62,867)	(168,909)		
Non-current liabilities	(4,015,095)	(1,269,901)	(1,225,958)		
Net assets	7,800,500	4,912,713	2,187,130		
Net assets attributable to NCI	3,123,650	3,334,131	1,238,546	649,587	8,345,914
Cash flows from:					
- Operating activities	191,210	195,039	151,984		
- Investing activities	351,202	60,527	(220,351)		
- Financing activities[1]	(201,113)	(289,827)	148,535		
Net increase/(decrease) in cash and cash equivalents	341,299	(34,261)	80,168		
[1] Includes dividends paid to NCI	(84,275)	(156,896)	(60,091)		

CCT and ART are regulated by the Monetary Authority of Singapore and are supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with the REITs are either subject to review by the REITs' trustees or significant transaction must be approved by a majority of votes by the remaining holders of units in the REITs at a meeting of unitholders.

7 ASSOCIATES

		The Group	
		2014 $'000	2013 $'000
			Restated
(a)	Investment in associates	8,059,963	8,424,435
	Less:		
	Allowance for impairment loss	(50,514)	(58,563)
		8,009,449	8,365,872
	Add:		
	Amounts due from associates:		
	Loan accounts		
	- interest free	240,530	313,804
	- interest bearing	539,720	331,289
		780,250	645,093
		8,789,699	9,010,965
	Less:		
	Allowance for doubtful receivables	–	(54)
		8,789,699	9,010,911

(i) Movements in allowance for impairment loss were as follows:

	Note	The Group 2014 $'000	The Group 2013 $'000
At 1 January		(58,563)	(28,049)
Allowance made during the year	27(c)(iii)	(60,103)	(50,514)
Allowance utilised during the year		68,152	20,000
At 31 December		(50,514)	(58,563)

(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 2014, the effective interest rate for the loans to associates ranged from 1.47% to 1.50% (2013: 2.09%) per annum.

(iv) Loan accounts include an amount of approximately $331.3 million (2013: $331.3 million), the repayment of which is subordinated to that of the external borrowings of an associate.

7 ASSOCIATES (cont'd)

	Note	The Group 2014 $'000	2013 $'000 Restated
(b) Amounts due from/(to) associates:			
Current accounts (unsecured)			
- interest free (trade)		31,086	35,657
- interest free (non-trade)		34,479	87,466
- interest bearing (non-trade)		276,715	338,511
		342,280	461,634
Less:			
Allowance for doubtful receivables		–	(2,544)
	12	342,280	459,090
Current accounts (mainly non-trade and unsecured)			
- interest free		(214,004)	(178,826)
- interest bearing		(132,523)	(389,284)
	17	(346,527)	(568,110)
Non-current loans (unsecured)			
- interest free		–	(276)
- interest bearing		(136,385)	(145,855)
	21	(136,385)	(146,131)

(c) The Group has three (2013: three) associates that are material and a number of associates that are individually immaterial to the Group. All are equity-accounted. The following are the material associates:

Name of Company	Nature of relationship with the Group	Principal place of business	Effective interest 2014 %	Effective interest 2013 %
CapitaMall Trust[1] (CMT)	Singapore-based REIT which invests in shopping malls in Singapore	Singapore	27.7	18.1
CapitaRetail China Trust[1] (CRCT)	Singapore-based REIT which invests in shopping malls in China	China	26.9	16.7
Raffles City China Fund Ltd[2,3] (RCCF)	Private equity fund which invests in five Raffles City integrated developments in China	China	55.0	49.8

All the above associates are audited by KPMG LLP Singapore.

1 Indirectly held through CapitaMalls Asia Limited.

2 Indirectly held through CapitaMalls Asia Limited and CapitaLand China Holdings Pte Ltd.

3 Considered to be an associate as key decisions are made by an independent board which the Group does not have majority control.

7 ASSOCIATES (cont'd)

The following summarises the financial information of each of the Group's material associates based on their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

	CMT Group $'000	CRCT Group $'000	RCCF Group $'000	Other individually immaterial associates $'000	Total $'000
2014					
Revenue	658,851	203,262	298,878		
Profit after tax	618,875	146,355	124,131		
Other comprehensive income	18,695	58,313	(5,891)		
Total comprehensive income	637,570	204,668	118,240		
Attributable to:					
- NCI	–	2,457	38,452		
- Associate's shareholders	637,570	202,211	79,788		
Current assets	1,154,650	99,520	678,498		
Non-current assets	8,703,657	2,258,542	4,575,355		
Current liabilities	(1,015,527)	(396,439)	(269,212)		
Non-current liabilities	(2,560,341)	(583,807)	(1,973,541)		
Net assets	6,282,439	1,377,816	3,011,100		
Attributable to:					
- NCI	–	28,078	436,678		
- Associate's shareholders	6,282,439	1,349,738	2,574,422		
Carrying amount of interest in associate at beginning of the year	1,638,539	303,278	1,313,734		
Additions during the year	8,225	21,337	11,200		
Group's share of:					
- Profit	165,776	39,384	46,681	374,987	626,828
- Other comprehensive income	6,637	15,692	(2,798)	35,503	55,034
- Total comprehensive income	172,413	55,076	43,883	410,490	681,862
Dividends received during the year	(102,363)	(16,475)	–		
Translation and other adjustments	–	–	47,115		
Carrying amount of interest in associate at end of the year	1,716,814	363,216	1,415,932	4,513,487	8,009,449
Fair value of ownership interest (if listed)^	1,955,385	305,036	N/A		

^ Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy).

7 ASSOCIATES (cont'd)

	CMT Group $'000	CRCT Group $'000	RCCF Group $'000	Other individually immaterial associates $'000	Total $'000
2013					
Revenue	637,590	160,075	263,176		
Profit after tax	574,366	135,948	225,830		
Other comprehensive income	14,440	51,613	69,208		
Total comprehensive income	588,806	187,561	295,038		
Attributable to:					
- NCI	–	3,081	60,766		
- Associate's shareholders	588,806	184,480	234,272		
Current assets	851,407	118,872	579,726		
Non-current assets	8,368,551	2,065,419	4,239,762		
Current liabilities	(686,693)	(507,034)	(602,584)		
Non-current liabilities	(2,524,521)	(463,392)	(1,428,241)		
Net assets	6,008,744	1,213,865	2,788,663		
Attributable to:					
- NCI	–	26,914	400,056		
- Associate's shareholders	6,008,744	1,186,951	2,388,607		
Carrying amount of interest in associate at beginning of the year	1,559,081	241,056	1,046,028		
Additions during the year	5,585	23,884	106,931		
Group's share of:					
- Profit	151,556	34,736	96,196	303,444	585,932
- Other comprehensive income	2,074	13,188	40,809	104,226	160,297
- Total comprehensive income	153,630	47,924	137,005	407,670	746,229
Dividends received during the year	(79,757)	(9,586)	–		
Translation and other adjustments	–	–	23,770		
Carrying amount of interest in associate at end of the year	1,638,539	303,278	1,313,734	5,110,321	8,365,872
Fair value of ownership interest (if listed)^	1,810,761	226,955	N/A		

^ Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy).

(d) The Group's share of the contingent liabilities of the associates is $687.2 million (2013: $400.4 million).

8 JOINT VENTURES

		The Group	
		2014 $'000	2013 $'000
			Restated
(a)	Investment in joint ventures	3,411,150	2,966,945
	Less:		
	Allowance for impairment loss	(12,433)	(10,633)
		3,398,717	2,956,312
	Add:		
	Amounts due from joint ventures:		
	Loan accounts		
	- interest free	583,756	657,157
	- interest bearing	21,692	61,625
		605,448	718,782
		4,004,165	3,675,094
	Less:		
	Allowance for doubtful receivables	(13,004)	(12,779)
		3,991,161	3,662,315

(i) Movements in allowance for impairment loss were as follows:

		The Group	
	Note	2014 $'000	2013 $'000
At 1 January		(10,633)	(10,633)
Allowance during the year	27(c)(iii)	(1,800)	(5,493)#
Allowance utilised upon disposal of a subsidiary		–	5,493
At 31 December		(12,433)	(10,633)

Related to a discontinued operation.

(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 2014, the effective interest rates for the loans to joint ventures ranged from 5.00% to 7.00% (2013: 0.95% to 7.00%) per annum.

8 JOINT VENTURES (cont'd)

	Note	The Group 2014 $'000	The Group 2013 $'000 Restated
(b) Amounts due from/(to) joint ventures:			
Current accounts (unsecured)			
- interest free (trade)		41,273	32,661
- interest free (non-trade)		2,502	1,106
- interest bearing (non-trade)		9,450	9,450
		53,225	43,217
Less:			
Allowance for doubtful receivables		(11,160)	(10,091)
	12	42,065	33,126
Non-current loans (unsecured, interest free)	10	365	365
Current accounts (unsecured)			
- interest free (mainly non-trade)		(33,180)	(25,736)
- interest bearing (non-trade)		(130,107)	–
	17	(163,287)	(25,736)

(c) Movements in allowance for doubtful receivables in respect of the above loans and current accounts were as follows:

	The Group 2014 $'000	The Group 2013 $'000
At 1 January	(22,870)	(21,725)
Allowance during the year	(928)	(1,536)
Translation differences	(366)	391
At 31 December	(24,164)	(22,870)

8 JOINT VENTURES (cont'd)

(d) The Group has three (2013: three) joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. All are equity-accounted. The following are the material joint ventures:

			Effective interest	
Name of Company	Nature of relationship with the Group	Principal place of business	2014 %	2013 %
RCS Trust[1] (RCS)	Special purpose trust which invests in an integrated development in Singapore	Singapore	30.1	26.5
Orchard Turn Holding Pte Ltd[2] (OTH)	Owner of an integrated development in Singapore	Singapore	50.0	32.7
CTM Property Trust[3,4] (CTM)	Special purpose trust which invests in a Raffles City integrated development in China	China	62.5	51.7

All the above joint ventures are audited by KPMG LLP Singapore.

1 Indirectly held through CapitaLand Singapore Limited and CapitaMalls Asia Limited.

2 Indirectly held through CapitaMalls Asia Limited.

3 Indirectly held through CapitaMalls Asia Limited and CapitaLand China Holdings Pte Ltd.

4 Considered to be a joint venture as the Group has joint control over the activities of the entity with the joint venture partner.

8 JOINT VENTURES (cont'd)

The following summarises the financial information of each of the Group's material joint ventures based on their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	RCS Trust $'000	OTH Group $'000	CTM Group $'000	Other individually immaterial joint ventures $'000	Total $'000
2014					
Revenue	232,493	256,138	–		
Profit/(Loss)[1] after tax	194,418	257,181	(2,672)		
Other comprehensive income	–	(149)	38,769		
Total comprehensive income	194,418	257,032	36,097		
[1] Includes:					
- depreciation and amortisation	(114)	(1,539)	(190)		
- interest income	9	189	244		
- interest expense	(34,474)	(25,173)	–		
- tax expense	–	(28,172)	–		
Current assets[2]	16,590	100,254	637,239		
Non-current assets	3,110,389	3,138,781	546,161		
Current liabilities[3]	(81,574)	(71,559)	(29,287)		
Non-current liabilities[4]	(1,044,089)	(1,650,387)	–		
Net assets	2,001,316	1,517,089	1,154,113		
[2] Includes cash and cash equivalents	9,163	60,757	66,086		
[3] Includes current financial liabilities (excluding trade and other payables and provisions)	–	(28,740)	–		
[4] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,026,209)	(1,637,287)	–		
Carrying amount of interest in joint venture at beginning of the year	1,158,713	705,029	647,010		
Additions during the year	8,663	–	51,750		
Group's share of:					
- Profit/(Loss)	116,651	128,590	(1,670)	99,536	343,107
- Other comprehensive income	–	(75)	24,231	12,735	36,891
- Total comprehensive income	116,651	128,515	22,561	112,271	379,998
Dividends received during the year	(83,237)	(75,000)	–		
Carrying amount of interest in joint venture at end of the year	1,200,790	758,544	721,321	718,062	3,398,717

8 JOINT VENTURES (cont'd)

	RCS Trust $'000	OTH Group $'000	CTM Group $'000	Other individually immaterial joint ventures $'000	Total $'000
2013					
Revenue	225,788	238,546	–		
Profit/(Loss)[1] after tax	205,417	268,453	(10,007)		
Other comprehensive income	–	2,625	42,903		
Total comprehensive income	205,417	271,078	32,896		
[1] Includes:					
- depreciation and amortisation	(91)	(1,941)	(151)		
- interest income	42	306	8		
- interest expense	(33,843)	(26,165)	–		
- tax expense	–	(26,222)	–		
Current assets[2]	14,472	103,058	547,260		
Non-current assets	3,018,792	3,015,164	496,253		
Current liabilities[3]	(82,338)	(63,584)	(8,297)		
Non-current liabilities[4]	(1,019,738)	(1,644,581)	–		
Net assets	1,931,188	1,410,057	1,035,216		
[2] Includes cash and cash equivalents	6,447	57,135	39,910		
[3] Includes current financial liabilities (excluding trade and other payables and provisions)	–	(13,099)	–		
[4] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,000,729)	(1,644,581)	–		
Carrying amount of interest in joint venture at beginning of the year	1,107,984	714,990	490,825		
Additions during the year	8,378	–	135,625		
Group's share of:					
- Profit/(Loss)	123,250	134,227	(6,254)	65,457	316,680
- Other comprehensive income	–	1,312	26,814	9,882	38,008
- Total comprehensive income	123,250	135,539	20,560	75,339	354,688
Dividends received during the year	(80,899)	(145,500)	–		
Carrying amount of interest in joint venture at end of the year	1,158,713	705,029	647,010	445,560	2,956,312

(e) The Group's share of the capital commitments of the joint ventures is $578.8 million (2013: $655.1 million).

(f) The Group's share of the contingent liabilities of the joint ventures is $15.7 million (2013: $19.5 million).

9 DEFERRED TAX

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) were as follows:

	At 1/1/2014 as restated $'000	Recognised in profit or loss $'000	Acquisition of subsidiaries $'000	Translation differences $'000	At 31/12/2014 $'000
The Group					
Deferred tax liabilities					
Accelerated tax depreciation	32,894	6,440	–	178	39,512
Discounts on compound financial instruments	27,063	(6,946)	–	–	20,117
Accrued income and interest receivable	24,130	(18,456)	31	(53)	5,652
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	330,390	(5,636)	–	11,635	336,389
Fair value adjustments arising from a business combination	19,925	–	–	(75)	19,850
Fair value changes of investment properties	225,503	32,704	–	313	258,520
Unremitted earnings	15,961	8,338	649	–	24,948
Others	15,003	20,444	133	119	35,699
Total	690,869	36,888	813	12,117	740,687
Deferred tax assets					
Unutilised tax losses	(11,028)	2,032	–	119	(8,877)
Provisions and expenses	(41,268)	8,068	–	(572)	(33,772)
Fair value adjustments on initial recognition of development properties for sale	(14,489)	–	–	–	(14,489)
Others	(22,244)	(13,264)	–	(574)	(36,082)
Total	(89,029)	(3,164)	–	(1,027)	(93,220)

9 DEFERRED TAX (cont'd)

	At 1/1/2013 as restated $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Acquisition/ Disposal of subsidiaries $'000	Translation differences $'000	At 31/12/2013 as restated $'000
The Group						
Deferred tax liabilities						
Accelerated tax depreciation	28,405	1,988	–	–	2,501	32,894
Discounts on compound financial instruments	33,558	(22,783)	16,288	–	–	27,063
Accrued income and interest receivable	17,908	6,042	–	142	38	24,130
Capital allowances of assets in investment properties	2,175	(2,175)	–	–	–	–
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	437,820	(91,679)	–	(31,898)	16,147	330,390
Fair value adjustments arising from a business combination	18,975	–	–	–	950	19,925
Fair value changes of investment properties	188,874	51,923	–	(24,273)	8,979	225,503
Unremitted earnings	46,665	(9,790)	–	(18,266)	(2,648)	15,961
Others	30,282	57,914	–	(69,933)	(3,260)	15,003
Total	804,662	(8,560)	16,288	(144,228)	22,707	690,869
Deferred tax assets						
Unutilised tax losses	(67,693)	(49,121)	–	99,829	5,957	(11,028)
Provisions and expenses	(55,857)	(25,331)	–	37,151	2,769	(41,268)
Deferred income	(20,507)	5,058	–	14,014	1,435	–
Fair value adjustments on initial recognition of development properties for sale	(23,085)	9,713	–	–	(1,117)	(14,489)
Others	(25,610)	(3,550)	–	6,151	765	(22,244)
Total	(192,752)	(63,231)	–	157,145	9,809	(89,029)

9 DEFERRED TAX (cont'd)

	At 1/1/2013 $'000	Recognised in profit or loss $'000	Recognised in equity $'000	At 31/12/2013 $'000	Recognised in profit or loss $'000	At 31/12/2014 $'000
The Company						
Deferred tax liabilities						
Discounts on compound financial instruments	33,558	(22,783)	16,288	27,063	(6,946)	20,117
Deferred tax assets						
Provisions	(2,589)	1,094	–	(1,495)	125	(1,370)

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	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
		Restated		
Deferred tax liabilities	730,993	678,989	20,117	27,063
Deferred tax assets	(83,526)	(77,149)	(1,370)	(1,495)
	647,467	601,840	18,747	25,568

As at 31 December 2014, deferred tax liabilities amounting to $9.7 million (2013: $7.9 million) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries and joint ventures as these earnings would not be distributed in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Group has not recognised deferred tax assets in respect of the following:

	2014 $'000	2013 $'000
		Restated
Deductible temporary differences	194,069	113,181
Tax losses	522,165	429,894
Unutilised capital allowances	4,507	4,211
	720,741	547,286

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. Tax losses arising in certain foreign tax jurisdictions have the expiry dates ranging from 5 to 9 years (2013: 5 to 9 years). The deductible temporary differences do not expire under current tax legislation.

10 OTHER NON-CURRENT/CURRENT ASSETS

(a) Other non-current assets

		The Group	
	Note	2014 $'000	2013 $'000
			Restated
Available-for-sale equity securities			
- at cost		13,931	13,931
- at fair value		193,606	213,626
Derivative assets		57,952	8,889
Amounts due from:			
- joint ventures	8(b)	365	365
- non-controlling interests		16,556	19,806
Interest receivables	(i)	74,688	70,427
Other receivables	(ii)	27,870	50,970
Deposits	(iii)	624,405	165,291
		1,009,373	543,305

(i) Interest receivables include (i) $62.3 million (2013: $56.6 million) in respect of a loan to an associate which bears an interest rate of 1.47% (2013: 2.09%) per annum and is due by 31 December 2016; and (ii) $12.4 million (2013: $13.8 million) in respect of a loan to a joint venture which bears an interest rate of 0.98% (2013: 0.95%) per annum and is not expected to be repaid within the next 12 months.

(ii) Other receivables as at 31 December 2014 included non-current consideration receivable of $21.2 million relating to the sale of a piece of land in Bahrain in 2014.

Other receivables as at 31 December 2013 included non-current consideration receivable of $45.4 million relating to the sale of a joint venture in 2011. The total consideration is receivable in four unequal annual instalments commencing 2012. In 2014, the amount was reclassified to current receivable in accordance with its maturity date (note 14).

(iii) The amount as at 31 December 2014 and 2013 relates to deposits paid for land and development costs of new acquisitions.

(b) Other current assets

	The Group	
	2014 $'000	2013 $'000
Available-for-sale money market investment, at fair value	–	195,000
Derivative assets	2,309	1,923
	2,309	196,923

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS

		The Group	
		2014 $'000	2013 $'000 Restated
(a)	Properties under development, units for which revenue is recognised using percentage of completion method:		
	Costs incurred and attributable profits	3,412,627	3,184,265
	Allowance for foreseeable losses	(109,190)	(17,190)
		3,303,437	3,167,075
	Progress billings	(867,944)	(441,485)
		2,435,493	2,725,590
	Other properties under development:		
	Costs incurred	3,896,048	4,133,268
	Allowance for foreseeable losses	(70,602)	(361,048)
		3,825,446	3,772,220
	Properties under development	6,260,939	6,497,810
(b)	Completed development properties, at cost	1,432,370	889,307
	Allowance for foreseeable losses	(20,303)	(5,463)
	Completed development properties	1,412,067	883,844
(c)	Consumable stocks	645	734
	Total development properties for sale and stocks	7,673,651	7,382,388

(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 2.15. Significant assumptions are required in determining the stage of completion and the total estimated development costs. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists.

The Group makes allowance for foreseeable losses taking into account the Group's recent experience in estimating net realisable values of completed units and properties under development by reference to comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

(e) As at 31 December 2014, development properties for sale amounting to approximately $5,207.1 million (2013: $4,471.9 million) were mortgaged to banks to secure credit facilities of the Group (note 19).

11 DEVELOPMENT PROPERTIES FOR SALE AND STOCKS (cont'd)

(f) During the financial year, the following amounts were capitalised as cost of development properties for sale:

		The Group	
	Note	**2014 $'000**	**2013 $'000**
Staff costs	27(b)	21,288	50,522^
Interest costs paid/payable	27(d)	44,510	105,924#
Less:			
Interest income received/receivable from project fixed deposit accounts	27(a)	(254)	(249)
		65,544	156,197

^ Included $33.5 million relating to a discontinued operation.

Included $50.6 million relating to a discontinued operation.

(g) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

		The Group	
	Note	**2014 $'000**	**2013 $'000**
At 1 January		(383,701)	(97,122)
Allowance during the year	27(c)(i)	(82,811)	(99,206)*
Utilisation during the year		268,180	–
Acquisition of a subsidiary		–	(260,708)
Disposal of a subsidiary		–	73,852
Translation differences		(1,763)	(517)
At 31 December		(200,095)	(383,701)

* Included $73.9 million relating to a discontinued operation.

12 TRADE AND OTHER RECEIVABLES

		The Group		The Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
			Restated		
Accrued receivables	(a)	60,777	158,357	–	–
Trade receivables	13	118,232	170,183	53	51
Deposits and other receivables	14	135,442	167,582	161	369
Amounts due from:					
- subsidiaries	18	–	–	340,665	1,099,464
- associates	7(b)	342,280	459,090	–	–
- joint ventures	8(b)	42,065	33,126	–	–
- investees (interest free)		–	4,752	–	–
- non-controlling interests (unsecured and interest free)		59,014	1,209	–	–
Loans and receivables		757,810	994,299	340,879	1,099,884
Prepayments		205,635	173,062	548	491
		963,445	1,167,361	341,427	1,100,375

(a) Accrued receivables relate to the remaining sales consideration not yet billed on completed development properties for sale.

(b) As at 31 December 2014, certain trade and other receivables amounting to approximately $24.2 million (2013: $28.8 million) were mortgaged to banks to secure credit facilities of the Group (note 19).

13 TRADE RECEIVABLES

		The Group		The Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
			Restated		
Trade receivables		129,226	189,256	53	51
Less:					
Allowance for doubtful receivables		(10,994)	(19,073)	–	–
	12	118,232	170,183	53	51

13 TRADE RECEIVABLES (cont'd)

(a) The maximum exposure to credit risk for trade receivables at the reporting date (by strategic business units) was:

	The Group	
	2014 $'000	2013 $'000 Restated
CapitaLand Singapore	20,932	39,347
CapitaLand China	1,890	2,505
CapitaMalls Asia	40,582	53,254
Ascott	47,890	47,338
Others	6,938	27,739
	118,232	170,183

The credit quality of trade and other receivables is assessed based on credit policies established by the Risk Committee. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units.

(b) The ageing of trade receivables at the reporting date was:

	The Group			
	Gross amount 2014 $'000	Allowance for doubtful receivables 2014 $'000	Gross amount 2013 $'000 Restated	Allowance for doubtful receivables 2013 $'000 Restated
Not past due	92,404	–	116,725	–
Past due 1 – 30 days	15,923	(54)	21,788	(249)
Past due 31 – 90 days	7,058	(2,827)	7,486	(35)
More than 90 days	13,841	(8,113)	43,257	(18,789)
	129,226	(10,994)	189,256	(19,073)

(c) The movements in allowance for doubtful receivables in respect of trade receivables were as follows:

	The Group	
	2014 $'000	2013 $'000 Restated
At 1 January	(19,073)	(18,812)
Allowance utilised	4,492	246
Allowance during the year	(1,091)	(1,986)
Reversal of allowance during the year	4,871	–
Translation differences	(193)	1,479
At 31 December	(10,994)	(19,073)

Based on historical default rates, the Group believes that no allowance for doubtful receivables is necessary in respect of the receivables not past due.

14 DEPOSITS AND OTHER RECEIVABLES

		The Group		The Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
			Restated		
Deposits		21,639	25,244	92	322
Other receivables		129,268	158,239	69	47
Less:					
Allowance for doubtful receivables		(20,907)	(18,779)	–	–
		108,361	139,460	69	47
Tax recoverable		5,442	2,878	–	–
	12	135,442	167,582	161	369

Other receivables as at 31 December 2014 included consideration receivable of $46.4 million (2013: $18.3 million) relating to the sale of a joint venture (note 10).

In 2013, other receivables included an amount of $63.5 million due from a third party which bore an effective interest of 13.0% per annum, was trade in nature and secured. The amount was fully repaid in January 2014.

The movements in allowance for doubtful receivables in respect of other receivables were as follows:

	The Group	
	2014 $'000	2013 $'000
		Restated
At 1 January	(18,779)	(19,563)
Allowance utilised	66	457
Allowance during the year	(2,102)	(734)
Translation differences	(92)	1,061
At 31 December	(20,907)	(18,779)

Other than disclosed above, the Group believes that no additional allowance for doubtful receivables is required in respect of the other receivables.

15 ASSETS HELD FOR SALE

	Note	The Group 2014 $'000	The Group 2013 $'000 Restated
Somerset Grand Fortune Garden Property Beijing	(a)	87,403	87,033
Surbana International Consultants Holdings Pte Ltd	(b)	104,000	–
		191,403	87,033

(a) In 2013, a subsidiary of the Group, ART, launched the strata sale of the 81 individual units in Somerset Grand Fortune Garden Property Beijing, China. Accordingly, the investment property was reclassified to assets held for sale in 2013 and will remain in assets held for sale until the completion of the strata sale. Independent valuation of Somerset Grand Fortune Garden Property Beijing was undertaken by an independent professional valuer. In 2014, a fair value gain of $5.8 million (2013: nil) was recognised in 'Other Operating Income' (note 27(a)) in the profit or loss.

(b) On 16 February 2015, the Group entered into an agreement to dispose its 40% interest in Surbana International Consultants Holdings Pte Ltd (Surbana) which was previously accounted for as investment in associate. The interest in Surbana was reclassified to assets held for sale as at 31 December 2014 and measured at fair value less costs to sell based on the agreed selling price.

The fair value measurement for assets held for sale has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (note 34).

16 CASH AND CASH EQUIVALENTS

	Note	The Group 2014 $'000	The Group 2013 $'000 Restated	The Company 2014 $'000	The Company 2013 $'000
Fixed deposits		1,204,816	3,678,615	–	311,246
Cash at banks and in hand		1,544,581	2,627,710	10,753	19,193
Cash and cash equivalents		2,749,397	6,306,325	10,753	330,439
Restricted bank deposits	(a)	(43,324)	(17,694)		
Cash and cash equivalents in the statement of cash flows		2,706,073	6,288,631		

(a) These are bank balances of certain subsidiaries pledged in relation to bankers' guarantees issued to the subsidiaries' contractors and banking facilities.

(b) As at 31 December 2014, the Group's cash and cash equivalents of $153.6 million (2013: $252.3 million) were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on projects.

(c) The Group's cash and cash equivalents are held mainly in Singapore Dollars, US Dollars, Australian Dollars, Chinese Renminbi and Japanese Yen. As at 31 December 2014, the effective interest rates for cash and cash equivalents ranged from 0% to 9.00% (2013: 0% to 9.25%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria.

17 TRADE AND OTHER PAYABLES

	Note	The Group 2014 $'000	The Group 2013 $'000 Restated	The Company 2014 $'000	The Company 2013 $'000
Trade payables		207,344	149,637	1,240	1,680
Accruals	(a)	729,131	693,185	34,949	30,249
Accrued development expenditure		748,376	496,814	–	–
Progress billings		386,217	432,255	–	–
Other payables	(b)	281,492	309,298	1,325	1,028
Rental and other deposits		96,626	86,636	3	3
Derivative liabilities		12,129	17,752	–	–
Liability for employee benefits	22	31,748	36,092	11,476	12,912
Amounts due to:					
- subsidiaries	18	–	–	4,952	1,314,621
- associates	7(b)	346,527	568,110	–	–
- joint ventures	8(b)	163,287	25,736	–	–
Non-controlling interests (unsecured):					
- interest free		17,990	4,374	–	–
- interest bearing		49,007	69,480	–	–
		3,069,874	2,889,369	53,945	1,360,493

(a) Accruals included accrued interest payable, accrued expenditure for property, plant and equipment purchases and accrued administrative expenses.

(b) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.

18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Note	The Company 2014 $'000	The Company 2013 $'000
Current			
Amounts due from subsidiaries:			
- current accounts, mainly trade		33,525	21,139
- current loans			
- interest free		265,314	1,107,444
- interest bearing		77,352	–
		342,666	1,107,444
Less: Allowance for doubtful receivables		(35,526)	(29,119)
		307,140	1,078,325
	12	340,665	1,099,464
Amounts due to subsidiaries:			
- current loans and interest free	17	(4,952)	(1,314,621)

18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (cont'd)

Movements in allowance for doubtful receivables were as follows:

	The Company	
	2014 $'000	2013 $'000
At 1 January	(29,119)	(29,375)
Allowance during the year	(6,407)	(365)
Reversal of allowance during the year	–	621
At 31 December	(35,526)	(29,119)

All balances with subsidiaries are unsecured and repayable on demand. The interest-bearing loan due from a subsidiary bore effective interest rate at 0.08% per annum.

19 BANK BORROWINGS

	The Group	
	2014 $'000	2013 $'000 Restated
Bank borrowings		
- secured	5,630,733	5,109,090
- unsecured	2,567,019	3,436,703
	8,197,752	8,545,793
Finance lease (secured)	12,914	17,367
	8,210,666	8,563,160
Repayable:		
Not later than 1 year	3,041,494	1,024,912
Between 1 and 2 years	1,232,872	1,922,099
Between 2 and 5 years	3,115,917	4,989,401
After 5 years	820,383	626,748
After 1 year	5,169,172	7,538,248
	8,210,666	8,563,160

(a) The Group's borrowings are denominated mainly in Singapore Dollars, US Dollars, Australian Dollars, Chinese Renminbi and Japanese Yen. As at 31 December 2014, the effective interest rates for bank borrowings ranged from 0.51% to 12.50% (2013: 0.38% to 12.30%) per annum.

(b) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

(i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties, development properties for sale and serviced residences and shares of certain subsidiaries of the Group; and

(ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

20 DEBT SECURITIES

Debt securities comprise medium term notes, fixed rate notes, floating rate notes and bonds issued by the Company and subsidiaries in the Group.

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
		Restated		
Convertible bonds	3,395,836	3,532,686	3,234,116	3,190,458
Notes and bonds	4,379,316	3,840,317	–	–
	7,775,152	7,373,003	3,234,116	3,190,458
Secured notes and bonds	204,969	214,068	–	–
Unsecured notes and bonds	7,570,183	7,158,935	3,234,116	3,190,458
	7,775,152	7,373,003	3,234,116	3,190,458
Repayable:				
Not later than 1 year	427,665	254,972	7,669	–
Between 1 and 2 years	941,682	701,684	630,048	–
Between 2 and 5 years	1,719,563	1,926,372	243,017	862,186
After 5 years	4,686,242	4,489,975	2,353,382	2,328,272
After 1 year	7,347,487	7,118,031	3,226,447	3,190,458
	7,775,152	7,373,003	3,234,116	3,190,458

(a) The repayment schedule for convertible bonds was based on the final maturity dates.

(b) As at 31 December 2014, the effective interest rates for debt securities ranged from 0.51% to 4.60% (2013: 0.52% to 5.15%) per annum.

(c) Details of the outstanding convertible bonds as at 31 December 2014 are as follows:

(i) $184.3 million (2013: $184.3 million) principal amount of convertible bonds of the Company due on 15 November 2016 with interest rate at 2.10% per annum (2.10% bonds). These bonds are convertible into new ordinary shares at the conversion price of $6.01 per share on or after 26 December 2006 and may be redeemed at the option of the Company on specified dates.

(ii) $1.0 billion principal amount of convertible bonds of the Company due on 20 June 2022 with interest rate at 2.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of $11.5218 per share on or after 20 June 2008 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.

(iii) $235.3 million (2013: $235.3 million) principal amount of convertible bonds of the Company due on 5 March 2018 with interest rate at 3.125% per annum (3.125% bonds). These bonds are convertible into new ordinary shares at the conversion price of $7.1468 per share on or after 15 April 2008 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates. The redemption price upon maturity is 109.998% of the principal amount. $7.8 million will be redeemed by the bond holders on 5 March 2015. The redemption price on 5 March 2015 is 106.578% of the principal amount.

(iv) $467.0 million (2013: $467.0 million) principal amount of convertible bonds of the Company due on 3 September 2016 with interest rate at 2.875% per annum (2.875% bonds). These bonds are convertible into new ordinary shares at the conversion price of $4.6619 (2013: $4.6836) per share on or after 14 October 2009 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.

20 DEBT SECURITIES (cont'd)

(v) $650.0 million principal amount of convertible bonds of the Company due on 19 June 2020 with interest rate at 1.85% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.9946 (2013: $5.00) per share on or after 30 July 2013 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.

(vi) $800.0 million principal amount of convertible bonds of the Company due on 17 October 2023 with interest rate at 1.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.2074 (2013: $4.212) per share on or after 27 November 2013 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.

(vii) $175.0 million (2013: $175.0 million) principal amount of convertible bonds of a subsidiary due on 12 September 2017 with interest rate at 2.5% per annum. These bonds are convertible into units issued by the subsidiary at the conversion price of $1.5865 (2013: $1.6394) per share on or after 23 October 2012 and may be redeemed at the option of the subsidiary on specified dates.

(viii) In 2014, there were conversion of $69.3 million (2013: $34.2 million) of the principal amount of convertible bonds of a subsidiary due on 21 April 2015 with interest rate at 2.7% per annum (2.7% bonds) into 58.1 million (2013: 27.8 million) units of the subsidiary. In addition, the subsidiary repurchased and redeemed $121.0 million of the 2.7% bonds. As a result, the 2.7% bonds has been cancelled in its entirety as at 31 December 2014.

(d) Secured debt securities

As at 31 December 2014, the secured notes and bonds amounting to $205.0 million (2013: $214.1 million) were fully secured by mortgages on the investment properties of the Group. Details on assets pledged are disclosed in the respective notes to the financial statements.

21 OTHER NON-CURRENT LIABILITIES

		The Group		The Company	
	Note	2014 $'000	2013 $'000 Restated	2014 $'000	2013 $'000
Amounts due to non-controlling interests (unsecured):					
- interest free		32,052	28,405	–	–
- interest bearing		221,847	215,528	–	–
Amounts due to an associate	7(b)	136,385	146,131	–	–
Liability for employee benefits	22	22,489	21,754	10,171	14,405
Derivative liabilities		56,544	51,885	–	–
Security deposits and other non-current payables	(a)	185,593	161,556	–	–
Deferred income		350	324	–	–
		655,260	625,583	10,171	14,405

(a) Other non-current payables as at 31 December 2014 included non-current consideration payable of $53.3 million relating to the acquisition of 60% interest in two residential sites in China in 2014. The consideration is payable in 14 unequal instalments commencing from 2015. The amounts due within 12 months as at 31 December 2014 amounted to $35.3 million and are included in trade and other payables (note 17).

22 EMPLOYEE BENEFITS

		The Group		The Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
			Restated		
Liability for short term accumulating compensated absences		10,618	10,558	1,681	1,325
Liability for staff incentive	(a)	41,523	43,444	19,966	25,856
Liability for cash-settled share-based payments		2,096	3,844	–	136
		54,237	57,846	21,647	27,317
Current	17	31,748	36,092	11,476	12,912
Non-current	21	22,489	21,754	10,171	14,405
		54,237	57,846	21,647	27,317

(a) 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.

(b) Equity compensation benefits

Share Plans of the Company

The 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. The duration of each share plan is 10 years commencing on 16 April 2010. The Company did not extend the duration of, or replace, the existing CapitaLand Share Option Plan which expired on 16 November 2010. All share options granted under the CapitaLand Share Option Plan prior to its termination will continue to be valid and be subject to the terms and conditions of the plans.

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

Following the delisting of the Company's subsidiary, CapitaMalls Asia Limited (CMA), from the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited on 22 July 2014, the Company had granted contingent awards under the CapitaLand Performance Share Plan 2010 and CapitaLand Restricted Share Plan 2010 (collectively known as 'CL substitute share awards') to holders of CMA's Performance Share Plan and Restricted Share Plan awards (collectively known as 'CMA share awards'), in respect of, and to substitute, the balance CMA share awards which were not settled in cash.

The CL substitute share awards are subjected to the same threshold targets and where applicable, the same performance periods as awards granted to employees of similar rank under the CapitaLand Performance Share Plan 2010 and CapitaLand Restricted Share Plan 2010 in the ordinary course.

22 EMPLOYEE BENEFITS (cont'd)

(b) Equity compensation benefits (cont'd)

Share Plans of the Company *(cont'd)*

The details of options and awards in the Company since commencement of the Share Plans were as follows:

	Aggregate Options/Shares			
	Granted No. of options/ shares	Exercised/ Released No. of options/ shares	Lapsed/ Cancelled No. of options/ shares	Balance as of 31 December 2014 No. of options/ shares
CapitaLand Share Option Plan	159,442,307	(117,310,594)	(36,335,356)	5,796,357
CapitaLand Performance Share Plan 2000	34,594,651	(17,393,355)	(17,201,296)	–
CapitaLand Restricted Stock Plan 2000	33,689,553	(27,125,079)	(6,564,474)	–
CapitaLand Performance Share Plan 2010	16,054,266	–	(5,420,302)	10,633,964
CapitaLand Restricted Share Plan 2010	35,867,383	(12,341,271)	(6,302,614)	17,223,498

The total number of new shares issued and/or to be issued pursuant to the 2010 Share Plans did not exceed 8% (2013: 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)

(b) 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 2014 $	No. of options 2014 ('000)	Weighted average exercise price 2013 $	No. of options 2013 ('000)
At 1 January	2.99	7,168	2.87	8,107
Exercised	1.68	(824)	1.88	(872)
Lapsed/Cancelled	3.44	(548)	3.49	(67)
At 31 December	3.13	5,796	2.99	7,168
Exercisable on 31 December	3.13	5,796	2.99	7,168

Options exercised in 2014 resulted in 824,178 (2013: 871,704) shares being issued at a weighted average market price of $2.97 (2013: $3.54) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $3.11 (2013: $3.36).

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 2014 ('000)	Weighted average contractual life (years)	Options outstanding 2013 ('000)	Weighted average contractual life (years)
$0.45 to $0.50	–	–	137	0.16
$0.51 to $1.43	–	–	15	0.65
$1.44 to $2.16	507	0.21	1,095	1.19
$2.17 to $4.10	5,289	1.20	5,921	2.21
	5,796		7,168	

22 EMPLOYEE BENEFITS (cont'd)

(b) Equity compensation benefits (cont'd)

CapitaLand Performance Share Plan 2010

This relates to compensation costs of the Company's Performance Share Plan 2010 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CapitaLand Performance Share Plan 2010 were summarised below:

	2014 ('000)	2013 ('000)
At 1 January	9,011	9,199
Granted	5,677^	3,565
Lapsed/Cancelled	(4,054)	(3,753)
At 31 December	10,634	9,011

^ Included 2,171,041 of shares granted under the CL substitute share awards.

The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. For awards granted prior to 2012, the maximum is 200% of the baseline award. For awards granted in 2012 and 2013, the maximum is 175% of the baseline award. For awards granted in 2014, the maximum will be 170% 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 values and assumptions, excluding the CL substitute share awards, are set out below:

Year of Award	2014	2013
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$2.50	$2.49
Expected volatility based on 36 months closing share price prior to grant date	33.09%	34.63%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	24.83%	25.18%
Share price at grant date	$2.91	$3.52
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	0.81%	0.38%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.53%	2.06%
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	77.64%	76.40%

22 EMPLOYEE BENEFITS (cont'd)

(b) Equity compensation benefits (cont'd)

CL Substitute Performance Share Awards

The Company granted 2,171,041 shares under the CL substitute share awards to holders of CMA's Performance Share Plan to substitute the balance CMA share awards for Year 2012, 2013 and 2014 which were not settled in cash.

The fair values of the CL substitute 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 values and assumptions of the CL substitute share awards for Year 2012 to 2014 are set out below:

Weighted average fair value of shares and assumptions

Weighted average fair value at measurement date	$2.64 to $3.23
Expected volatility based on 36 months closing share price prior to grant date	33.79%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	25.08%
Share price at grant date	$3.22
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	0.33% to 0.53%
Expected dividend yield over 12 months volumed-weighted average share price prior to the grant date	2.53%
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	78.83%

CapitaLand Restricted Share Plan 2010 – Equity-settled/Cash-settled

This relates to compensation costs of the Company's Restricted Share Plan 2010 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CapitaLand Restricted Share Plan 2010 were summarised below:

	2014 ('000)	**2013 ('000)**
At 1 January	13,514	12,314
Granted	12,787^	8,919
Released@	(6,062)	(6,337)
Lapsed/Cancelled	(3,016)	(1,382)
At 31 December	17,223	13,514

^ Included 3,659,684 shares granted under the CL substitute share awards, of which 637,198 are to be cash-settled.

@ The number of shares released during the year was 6,062,023 (2013: 6,336,694), of which 346,750 (2013: 487,829) were cash-settled.

22 EMPLOYEE BENEFITS (cont'd)

(b) Equity compensation benefits (cont'd)

***CapitaLand Restricted Share Plan 2010 – Equity-settled/Cash-settled** (cont'd)*

As at 31 December 2014, the number of shares comprised in awards granted under the CapitaLand Restricted Share Plan is as follows:

	2014			2013		
	Equity-settled ('000)	Cash-settled ('000)	Total ('000)	Equity-settled ('000)	Cash-settled ('000)	Total ('000)
Final number of shares has not been determined (baseline award)#	9,875	978	10,853	6,730	312	7,042
Final number of shares determined but not released	6,139	231	6,370	6,121	351	6,472
	16,014	1,209	17,223	12,851	663	13,514

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 period of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. From 2014, an additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released upon the final vesting.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

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

Year of Award	2014	2013
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$2.76	$3.40
Expected volatility based on 36 months closing share price prior to grant date	33.09%	34.63%
Share price at grant date	$2.91	$3.52
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.30% to 0.81%	0.18% to 0.38%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.53%	2.06%

The fair value of the shares awarded to non-executive directors in 2014 was $3.11 (2013: $3.75) which was the volume-weighted average price of a CapitaLand share on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the date of CapitaLand's Annual General Meeting.

From 2012, cash-settled award plan for non-managerial grade employees in Singapore, Malaysia and Japan has been replaced by a Restricted Cash Plan (RCP). Under RCP, a cash bonus is distributed to eligible employees at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

22 EMPLOYEE BENEFITS (cont'd)

(b) Equity compensation benefits (cont'd)

CL Substitute Restricted Share Awards

The Company granted 3,659,684 shares under the CL substitute share awards to holders of CMA Restricted Share Plan to substitute the balance CMA share awards which were not settled in cash for Year 2014.

The fair values of the CL substitute 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 values and assumptions of the CL substitute share awards for Year 2014 are set out below:

Year of Award	2014
Weighted average fair value of shares and assumptions	
Weighted average fair value at measurement date	$3.09
Expected volatility based on 36 months closing share price prior to grant date	33.79%
Share price at grant date	$3.22
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	0.33% to 0.53%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.53%

Share Plans of a Subsidiary

CapitaMalls Asia Limited (CMA)

CMA was delisted from the Official List of the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited on 22 July 2014 following the completion of the voluntary cash offer and subsequent compulsory acquisition of shares in CMA by Sound Investment Holdings Pte Ltd, a wholly-owned subsidiary of the Company.

Subsequent to the delisting, all CMA share plans were cancelled, resulting in an accelerated recognition of share-based payments. The outstanding shares under the CMA share plans were settled as follows:

(i) 3,730,730 shares under the CMA Performance Share Plan had been released in the form of cash in accordance with the rules of the CMA Performance Share Plan while the balance outstanding awards of 2,717,184 were substituted by contingent awards under CapitaLand Performance Share Plan 2010; and

(ii) 11,821,148 shares under the CMA Restricted Stock Plan had been released in the form of cash in accordance with the rules of the CMA Restricted Stock Plan while the balance outstanding awards of 4,551,886 were substituted by contingent awards under CapitaLand Restricted Share Plan 2010.

23 SHARE CAPITAL

	The Company	
	2014 No. of shares ('000)	2013 No. of shares ('000)
Issued and fully paid, with no par value		
At 1 January	4,271,511	4,270,491
Issue of shares pursuant to the:		
- Exercise of options	824	872
- Payment of directors' fees	179	148
At 31 December, including treasury shares	4,272,514	4,271,511
Less: Treasury shares	(13,929)	(19,465)
At 31 December, excluding treasury shares	4,258,585	4,252,046

(a) The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

(b) At 31 December 2014, there were 5,796,357 (2013: 7,168,345) options under the CapitaLand Share Option Plan, a maximum of 18,388,753 (2013: 16,461,031) shares under the CapitaLand Performance Share Plan and 21,414,631 (2013: 16,216,593) shares under the CapitaLand Restricted Stock/Share Plan, details of which are disclosed in note 22(b).

(c) As at 31 December 2014, the convertible bonds issued by the Company which remained outstanding were as follows:

Principal Amount $ million	Final Maturity Date Year	Conversion Price $	Convertible Into New Ordinary Shares
184.25	2016	6.0100	30,657,237
235.25	2018	7.1468	32,916,829
467.00	2016	4.6619	100,173,748
650.00	2020	4.9946	130,140,551
800.00	2023	4.2074	190,141,179
1,000.00	2022	11.5218	86,791,994

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

(d) Movements in the Company's treasury shares were as follows:

	The Company	
	2014 No. of shares ('000)	2013 No. of shares ('000)
At 1 January	19,465	19,612
Purchase of treasury shares	–	5,554
Treasury shares transferred pursuant to employee share plans	(5,536)	(5,701)
At 31 December	13,929	19,465

23 SHARE CAPITAL (cont'd)

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	
	2014 $'000	**2013 $'000**
		Restated
Bank borrowings and debt securities	15,985,818	15,936,163
Cash and cash equivalents	(2,749,397)	(6,306,325)
Net debt	13,236,421	9,629,838
Total equity	23,208,531	24,454,783
Net debt equity ratio	0.57	0.39

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.

The Group's subsidiaries in The People's Republic of China (PRC) are subject to foreign exchange rules and regulations promulgated by the PRC government which may impact how the Group manages capital. In addition, five of the Group's subsidiaries (2013: five) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust management. These subsidiaries have complied with the applicable capital requirements throughout the year.

There were no changes in the Group's approach to capital management during the year.

24 OTHER RESERVES

	The Group		The Company	
	2014 $'000	2013 $'000 Restated	2014 $'000	2013 $'000
Reserve for own shares	(36,989)	(51,691)	(36,989)	(51,691)
Capital reserve	460,967	415,047	287,245	287,245
Equity compensation reserve	97,906	120,800	46,348	53,415
Hedging reserve	24,928	(21,356)	–	–
Available-for-sale reserve	5,677	5,018	–	–
Foreign currency translation reserve	284,864	(121,145)	–	–
	837,353	346,673	296,604	288,969

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held in treasury.

The capital reserve comprises mainly the value of the options granted to bondholders to convert their convertible bonds into ordinary shares of the Company and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the options and shares under the share plans of the Company (note 22(b)).

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet affected profit or loss.

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale investment until the investment is derecognised.

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

25 OTHER COMPREHENSIVE INCOME

	2014			2013		
	Before tax $'000	Tax expense $'000	Net of tax $'000	Before tax $'000	Tax expense $'000	Net of tax $'000
				Restated	Restated	Restated
The Group						
Exchange differences arising from translation of foreign operations and foreign currency loans, forming part of net investment in foreign operations	324,103	–	324,103	155,683	–	155,683
Recognition of foreign exchange differences in profit or loss	35,562	–	35,562	85,690	–	85,690
Change in fair value of available-for-sale investments	3,283	–	3,283	2,511	–	2,511
Recognition of available-for-sale reserve in profit or loss	(2,564)	–	(2,564)	(2,980)	–	(2,980)
Effective portion of change in fair value of cash flow hedges	44,241	–	44,241	54,526	–	54,526
Recognition of hedging reserve in profit or loss	831	–	831	35,674	–	35,674
Share of other comprehensive income of associates and joint ventures	91,920	–	91,920	198,305	–	198,305
Recognition of share of other comprehensive income of associates and joint ventures in profit or loss	5	–	5	–	–	–
	497,381	–	497,381	529,409	–	529,409

26 REVENUE

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

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
		Restated		
Trading of properties	2,202,323	1,942,455	–	–
Rental and related income	743,988	609,414	–	–
Fee income	376,714	379,892	72,535	65,530
Serviced residence rental and related income	597,012	553,443	–	–
Dividend income from subsidiaries	–	–	606,452	522,462
Others	4,561	25,829	–	–
	3,924,598	3,511,033	678,987	587,992

27 PROFIT BEFORE TAX

Profit before tax includes the following:

	Note	The Group 2014 $'000	The Group 2013 $'000 Restated	The Company 2014 $'000	The Company 2013 $'000
(a) Other operating income					
Interest income from:					
- fixed deposits		29,705	39,472	251	675
- subsidiaries		–	–	74,724	70,788
- associates and joint ventures		24,175	31,550	–	–
- investee companies and others		3,662	9,389	–	–
- interest capitalised in development properties for sale	11(f)	(254)	(249)	–	–
		57,288	80,162	74,975	71,463
Dividend income		2,439	3,606	–	–
Mark-to-market gain on derivative instruments		1,356	9,149	–	–
Net fair value gains from investment properties and assets held for sale		456,921	445,206	–	–
Gain on disposal/redemption of available-for-sale financial assets		2,964	3,127	–	–
Gain from bargain purchase arising from acquisition of an associate and a subsidiary		12,790	6,278	–	–
Gain on disposal of property, plant and equipment		177	–	25	35
Gain from change of ownership interest in subsidiaries, associates and joint ventures		–	93,999	–	–
Gain on disposal of investment property		2,296	–	–	–
Reversal of impairment of subsidiaries	6(a)(iii)	–	–	49,760	–
Reversal of allowance for doubtful receivables	6(a)(iv)	–	–	22,937	–
Forfeiture deposit for an abortive deal		26,563	–	–	–
Others		35,345	34,679	19,085	19,607
		598,139	676,206	166,782	91,105

27 PROFIT BEFORE TAX (cont'd)

		Note	The Group 2014 $'000	The Group 2013 $'000 Restated	The Company 2014 $'000	The Company 2013 $'000
(b)	**Staff costs**					
	Wages and salaries		402,911	398,740	46,242	38,069
	Contributions to defined contribution plans		50,657	47,164	3,517	2,864
	Share-based expenses					
	- equity-settled		49,454	37,087	8,456	7,667
	- cash-settled		3,266	1,086	1	7
	Increase/(Decrease) in liability for short term accumulating compensated absences		717	1,447	356	(13)
	Staff benefits, training/development costs and others		66,103	64,818	3,910	3,722
			573,108	550,342	62,482	52,316
	Less:					
	Staff costs capitalised in development properties for sale	11(f)	(21,288)	(17,069)	–	–
			551,820	533,273	62,482	52,316
	Recognised in:					
	Cost of sales	(c)(i)	341,335	318,910	–	–
	Administrative expenses	(c)(ii)	210,485	214,363	62,482	52,316
			551,820	533,273	62,482	52,316
(c)(i)	**Cost of sales include:**					
	Costs of development properties for sale		1,773,629	1,567,019	–	–
	Depreciation of property, plant and equipment	3	706	332	–	–
	Provision for foreseeable losses on development properties for sale	11(g)	82,811	25,354	–	–
	Operating expenses of investment properties that generated rental income		339,041	292,491	–	–
	Operating lease expenses		50,343	47,957	–	–
	Staff costs	(b)	341,335	318,910	–	–

27 PROFIT BEFORE TAX (cont'd)

			The Group		The Company	
		Note	2014 $'000	2013 $'000 Restated	2014 $'000	2013 $'000
(c)(ii)	**Administrative expenses include:**					
	(Reversal of)/Allowance for doubtful receivables		(3,653)	2,180	–	–
	Amortisation of intangible assets	4	4,877	5,840	–	–
	Auditors' remuneration:					
	- auditors of the Company		3,064	2,880	262	184
	- other auditors		4,370	4,710	–	–
	Non-audit fees:					
	- auditors of the Company		266	134	13	11
	- other auditors		523	2,010	–	–
	Depreciation of property, plant and equipment	3	63,914	56,489	6,896	6,524
	Operating lease expenses		19,577	21,437	5,353	4,639
	Staff costs	(b)	210,485	214,363	62,482	52,316
(c)(iii)	**Other operating expenses include**:					
	Allowance for doubtful receivables		3,074	6,864	28,604	72,935
	Foreign exchange loss		27,541	17,194	–	30
	Impairment of:					
	- subsidiaries	6(a)(iii)	–	–	9,832	191,961
	- associates	7(a)(i)	60,103	50,514	–	–
	- joint venture	8(a)(i)	1,800	–	–	–
	Impairment and write off of property, plant and equipment		836	13,228	64	1
	Impairment of intangible assets	4	24	90	–	–
	Loss on repurchase of convertible bonds		2,713	44,639	–	–
	Loss from change of ownership interest in subsidiaries, associates and joint venture		333*	–	–	–
	Loss on disposal of investment property		–	12,578	–	–
	Loss on disposal of property, plant and equipment		–	184	–	–

* Includes re-measurement gain attributable to recognising investment retained in former associate at its fair value of $3.4 million (2013: nil).

27 PROFIT BEFORE TAX (cont'd)

	Note	The Group 2014 $'000	The Group 2013 $'000 Restated	The Company 2014 $'000	The Company 2013 $'000
(d) Finance costs					
Interest costs paid and payable:					
- on bank loans and overdrafts		200,259	224,100	271	–
- on debt securities		136,553	132,866	–	–
- to non-controlling interests		6,529	4,961	–	–
Convertible bonds:					
- interest expense		88,420	107,620	81,772	97,833
- amortisation of bond discount		44,191	62,207	40,799	56,771
- accretion of bond premium		2,352	6,782	2,352	6,782
Derivative financial instruments		1,331	(1,751)	–	–
Others		44,054	54,104	512	1,867
Total borrowing costs		523,689	590,889	125,706	163,253
Less:					
Borrowing costs capitalised in:					
- investment properties	5(d)	(39,706)	(53,899)	–	–
- development properties for sale	11(f)	(44,510)	(55,313)	–	–
		(84,216)	(109,212)	–	–
		439,473	481,677	125,706	163,253

28 TAX EXPENSE

	The Group 2014 $'000	The Group 2013 $'000 Restated	The Company 2014 $'000	The Company 2013 $'000
Current tax expense				
- Based on current year's results	237,584	331,105	555	504
- Over provision in respect of prior years	(2,953)	(53,576)	–	–
- Group relief	(1,447)	(600)	205	(1,421)
	233,184	276,929	760	(917)
Deferred tax expense				
- Origination and reversal of temporary differences	40,468	(61,606)	(6,822)	(21,689)
- Over provision in respect of prior years	(6,744)	(10,185)	–	–
	33,724	(71,791)	(6,822)	(21,689)
Total	266,908	205,138	(6,062)	(22,606)

28 TAX EXPENSE (cont'd)

Reconciliation of effective tax rate

	The Group	
	2014 $'000	**2013 $'000**
		Restated
Continuing Operations		
Profit before tax	1,997,467	1,776,883
Less: Share of results of associates and joint ventures	(969,935)	(902,612)
Profit before share of results of associates and joint ventures, tax and discontinued operation	1,027,532	874,271
Income tax using Singapore tax rate of 17% (2013: 17%)	174,680	148,626
Adjustments:		
Expenses not deductible for tax purposes	184,120	158,572
Income not subject to tax	(184,803)	(171,559)
Effect of unrecognised tax losses and other deductible temporary differences	20,035	17,963
Effect of different tax rates in foreign jurisdictions	44,783	61,161
Effect of taxable distributions from REITs	33,167	28,017
Over provision in respect of prior years	(9,697)	(63,761)
Group relief	(1,447)	(600)
Withholding taxes	7,498	27,374
Others	(1,428)	(655)
	266,908	205,138

Tax expense on continuing operations excluded the Group's tax expense on gain on sale of discontinued operation. The tax on sale of discontinued operation was included in 'profit from discontinued operation, net of tax' in the income statement (note 39).

	The Company	
	2014 $'000	**2013 $'000**
Profit before tax	579,040	130,837
Income tax using Singapore tax rate of 17% (2013: 17%)	98,437	22,242
Adjustments:		
Expenses not deductible for tax purposes	402	47,417
Income not subject to tax	(103,101)	(88,827)
Effect of other deductible temporary differences	(1,138)	(2,986)
Group relief	205	(1,421)
Others	(867)	969
	(6,062)	(22,606)

29 EARNINGS PER SHARE

(a) Basic earnings per share

		The Group	
	Note	2014 $'000	2013 $'000 Restated
Basic earnings per share is based on:			
Profit attributable to owners of the Company from:			
- Continuing operations		1,131,714	874,569
- Discontinued operation	39	29,134	(34,327)
Profit attributable to owners of the Company		1,160,848	840,242

	2014 No. of shares ('000)	2013 No. of shares ('000)
Weighted average number of ordinary shares in issue during the year	4,257,286	4,255,980

(b) Diluted earnings per share

In calculating diluted earnings per share, the 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	
	2014 $'000	2013 $'000 Restated
Profit attributable to owners of the Company	1,160,848	840,242
Profit impact of conversion of the potential dilutive shares	68,638	53,958
Adjusted profit attributable to owners of the Company	1,229,486	894,200
Attributable to:		
- Continuing operations	1,200,352	928,527
- Discontinued operation	29,134	(34,327)
	1,229,486	894,200
Adjustments for potential dilutive shares under:		
- CapitaLand Share Option Plan	219	935
- CapitaLand Performance Share Plan	18,389	16,461
- CapitaLand Restricted Stock/Share Plan	21,414	16,216
- Convertible bonds	450,812	316,297
	490,834	349,909
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	4,748,120	4,605,889

30 DIVIDENDS

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 9.0 cents per share in respect of the financial year ended 31 December 2014. This would amount to a payout of approximately $383.3 million based on the number of issued shares (excluding 13,928,946 treasury shares) as at 31 December 2014. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2013, a tax-exempt ordinary dividend of 8.0 cents per share was approved at the Annual General Meeting held on 25 April 2014. The said dividends of $340.6 million were paid in May 2014.

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during 2014 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Chengdu Kai Guang Property Co., Ltd	April 2014	60%
Chengdu Hong Hu Zhan Property Co., Ltd	April 2014	60%
Excel Chinese International Limited	April 2014	100%
Wangze (Dalian) Enterprise Co., Limited	June 2014	46%
CapitaLand (Beijing) Kai Heng Holdings Pte Ltd#	July 2014	80%

The list of significant subsidiaries acquired in 2013 is as follows:

Name of subsidiary	Date acquired	Effective interest acquired
Heping Investments (Hong Kong) Limited#	June 2013	45%
Biyun Investments (Hong Kong) Limited#	June 2013	45%
BSG Holdings Pte Ltd	July 2013	100%
Super Plus Limited	August 2013	100%
Shanghai Guang Chuan Property Co., Ltd	December 2013	70%

These were previously associates of the Group.

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(b) Effects of acquisitions

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

	Note	Recognised values 2014 $'000	Recognised values 2013 $'000 Restated
The Group			
Property, plant and equipment		95,154	7,010
Investment properties	5	363,514	746,708
Development properties for sale		306,509	251,565
Cash and cash equivalents		38,731	13,183
Other current assets		3,183	2,109
Current liabilities		(59,590)	(89,056)
Long-term bank borrowings		(34,950)	(41,055)
Shareholder's loans		(115,116)	(83,344)
Deferred tax liabilities		(813)	(1,143)
Non-controlling interests		(183,116)	(173,550)
		413,506	632,427
Amounts previously accounted for as associates, joint ventures and other financial assets, at fair value		(22,176)	(36,303)
Net assets acquired		391,330	596,124
Goodwill arising from acquisition	4	–	13,214
Gain from bargain purchase		(12,790)	–
Assumption of shareholder's loans		115,116	83,344
Total purchase consideration		493,656	692,682
Less:			
Deferred payment and other adjustments		(87,986)	–
Cash of subsidiaries acquired		(38,731)	(13,183)
Cash outflow on acquisition of subsidiaries		366,939	679,499

(c) Disposal of subsidiaries

There was no disposal of significant subsidiaries in 2014.

The list of significant subsidiaries disposed in 2013 is as follows:

Name of subsidiary	Date disposed	Effective interest disposed
Beijing CapitaLand Xin Ming Real Estate Development Co., Ltd.	March 2013	100%
Radiant I Pte. Ltd.#	April 2013	65%
Crystal II Pte. Ltd.#	April 2013	65%
Abbey Road Limited#	July 2013	45%
Australand*	November 2013	20%

These subsidiaries were sold to CapitaMalls China Development Fund III, an associate, in which the Group has an effective interest of 32.7% as at 31 December 2013.

* The Group retained an effective interest of 39.1% in Australand as at 31 December 2013. In March 2014, the Group completed the sale of its remaining 39.1% interest in Australand.

For the year 2013, the disposed subsidiaries previously contributed net profit of $64.9 million from 1 January 2013 to the respective dates of disposal.

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(d) Effects of disposals

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

	Note	The Group 2014 $'000	The Group 2013 $'000 Restated
Property, plant and equipment		31	35,074
Investment properties	5	–	3,376,949
Associates and joint ventures		587	182,846
Deferred tax assets		–	36,718
Other non-current assets		–	124,793
Development properties for sale		–	1,370,778
Other current assets		801	312,493
Current liabilities		(3,895)	(227,767)
Bank borrowings		–	(1,719,943)
Deferred tax liabilities		–	(24,944)
Other non-current liabilities		–	(155,874)
Non-controlling interests		(613)	(1,493,378)
Net (liabilities)/assets		(3,089)	1,817,745
Less:			
Equity interests retained as associates		–	(1,150,303)
Net (liabilities)/assets disposed		(3,089)	667,442
Realisation of reserves		(898)	121,295
Gain/(Loss) on disposal of subsidiaries		7,840	(24,864)
Sale consideration		3,853	763,873
Repayment of shareholders' loans		–	57,590
Cash of subsidiaries disposed		(84)	(116,090)
Cash inflow on disposal of subsidiaries		3,769	705,373

32 BUSINESS COMBINATIONS

The Group has the following business combination during the year:

Acquisition of CapitaLand (Beijing) Kai Heng Holdings Pte Ltd

On 25 July 2014, the Group acquired an additional 80% interest in CapitaLand (Beijing) Kai Heng Holdings Pte Ltd (CBKH) from its 37.5% associate, CapitaLand China Development Fund Pte Ltd (CCDF). Following the acquisition, the Group's interest in CBKH increased from 50% to 100%.

CBKH owns a 100% economic interest in Beaufort, a residential site located at Chaoyang District, Beijing held through Beijing Heng Shi Tong Fang Real Estate Development Co., Ltd., a company incorporated in The People's Republic of China, in which CBKH owns a 95.52% interest (collectively known as CBKH Group).

The acquisition is part of the Group's ongoing business development and is in line with the Group's strategy to further strengthen its presence in China.

CBKH Group contributed net profit of $1.9 million to the Group's results from 25 July 2014 to 31 December 2014. If the acquisition had occurred on 1 January 2014, management estimates that the net profit contribution from CBKH would have been $6.4 million. In determining this amount, 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 2014.

Purchase consideration

The consideration for the acquisition was $41.4 million, which included the assignment of shareholder's loan due from CBKH Group to its previous shareholder, and was settled in cash. No contingent consideration or indemnification asset was identified at the acquisition date.

A gain on bargain purchase of $12.8 million was recognised in profit or loss as a result of the difference between consideration transferred and the fair value of the identifiable net assets.

Identifiable assets acquired and liabilities assumed

	2014 $'000
Property, plant and equipment	109
Development properties for sale	16,446
Cash and cash equivalents	18,360
Other current assets	137,309
Current liabilities	(98,100)
Shareholder's loan	(40,643)
Deferred tax liabilities	(649)
Non-controlling interests	(6,091)
Total identifiable net assets	26,741
Less: Amount previously accounted for as an associate, at fair value	(13,185)
Net assets acquired	13,556
Gain from bargain purchase	(12,790)
Assumption of shareholder's loan	40,643
Total purchase consideration	41,409

32 BUSINESS COMBINATIONS (cont'd)

Effects of cash flows of the Group

	2014 $'000
Cash consideration paid	766
Assumption of shareholder's loan	40,643
Purchase consideration	41,409
Less: Cash and cash equivalents in subsidiary acquired	(18,360)
Net cash outflow on acquisition	23,049

Measurement of fair value

The valuation technique used for measuring the fair value of the material assets acquired was as follow:

Assets acquired	Valuation technique
Development properties for sale	Residual method: The valuation of the land is arrived at by deducting the gross development cost and the developer's profit from the gross development value (GDV). The GDV of land is first established by direct comparison method based on preliminary development scheme and adjusted for the differences between the property and the comparables to arrive at the market value of the land in its existing state.

The acquisition-related costs incurred in relation to the acquisition were immaterial.

In 2013, the Group had the following business combination:

Acquisition of BSG Holdings Pte Ltd

On 1 July 2013, the Group acquired 100% equity interest of BSG Holdings Pte Ltd (BSGH). BSGH is in the business of managing and operating four self storage facilities under the brand "Big Orange" in Singapore.

The Group currently operates its self storage business through the "StorHub" brand with seven facilities in Singapore and two facilities in China. With the acquisition, StorHub becomes the largest self storage company with the widest location network in Singapore. The acquisition also allows StorHub to capitalise on the complementary strengths of both platforms.

BSGH contributed revenue of $4.7 million and net profit of $4.1 million to the Group's results for the period from 1 July 2013 to 31 December 2013. If the acquisition had occurred on 1 January 2013, management estimates that the contribution from BSGH in terms of revenue and net profit would have been $11.8 million and $6.9 million respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition has occurred on 1 January 2013.

Purchase consideration

The consideration for the acquisition was $91.3 million and was settled in cash. No contingent consideration or indemnification asset was recognised at the acquisition date. Both the Group and the acquired entities do not have a relationship before this acquisition. Therefore, there was no settlement of pre-existing relationship.

Goodwill of $13.2 million was recognised as a result of the difference between consideration transferred and the fair value of the identifiable net assets.

32 BUSINESS COMBINATIONS (cont'd)

Effects of cash flows of the Group

	2013 $'000
Purchase consideration paid	91,298
Less: Cash and cash equivalents in subsidiary acquired	(2,807)
Net cash outflow on acquisition	88,491

Identifiable assets acquired and liabilities assumed

	2013 $'000
Property, plant and equipment	365
Investment properties	76,420
Current assets	3,482
Current liabilities	(1,711)
Non-current liabilities	(472)
Total identifiable net assets	78,084
Goodwill on acquisition	13,214
Purchase consideration	91,298

Acquisition-related costs

Acquisition-related costs of $1.0 million related to stamp duties, legal and due diligence fees were included in administrative expenses in the consolidated income statement for the year ended 31 December 2013.

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 cross currency swaps 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 to minimise its exposure to interest rate volatility. The Group classifies these interest rate swaps as cash flow hedges.

The fair value loss of interest rate swaps as at 31 December 2014 was $18.0 million (2013 (Restated): $29.4 million) comprising derivative assets of $1.9 million (2013 (Restated): $0.9 million) and derivative liabilities of $19.9 million (2013 (Restated): $30.3 million).

Sensitivity analysis

For other variable rate financial liabilities and interest rate derivative instruments used for hedging, 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 $40.7 million (2013 (Restated): $47.8 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 Chinese Renminbi, Euro, Hong Kong Dollars, Japanese Yen, Malaysian Ringgit, 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 foreign exchange contracts to hedge its foreign currency risk, where feasible. It generally enters into forward foreign exchange contracts with maturities ranging between three months and one year which are rolled over at market rates at maturity. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in a foreign currency.

The net fair value gain of the forward foreign exchange and cross currency swap contracts as at 31 December 2014 was $9.6 million (2013 (Restated): fair value loss of $29.5 million), comprising derivative assets of $58.4 million (2013 (Restated): $9.9 million) and derivative liabilities of $48.8 million (2013 (Restated): $39.4 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 2014 and 31 December 2013 were as follows:

	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
The Group									
2014									
Other financial assets	–	–	–	1,510	192,096	–	–	–	193,606
Trade and other receivables	72,478	17,752	358,569	6,539	140,881	184,197	86,600	174,560	1,041,576
Cash and cash equivalents	168,432	5,216	1,099,437	2,928	140,852	55,158	84,921	103,786	1,660,730
Borrowings	(674,599)	(1,450)	(1,128,249)	(157,041)	(1,234,537)	(396,985)	(452,637)	(350,921)	(4,396,419)
Trade and other payables	(340,460)	(12,174)	(1,544,117)	(16,038)	(51,759)	(83,299)	(75,675)	(75,805)	(2,199,327)
Gross currency exposure	(774,149)	9,344	(1,214,360)	(162,102)	(812,467)	(240,929)	(356,791)	(148,380)	(3,699,834)
Add/Less:									
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	90,274	(4,315)	1,191,011	155,830	624,461	401,577	436,905	244,825	3,140,568
Cross currency swaps/ forward foreign exchange contracts	495,183	–	–	–	179,952	–	375	–	675,510
Less:									
Available-for-sale financial assets	–	–	–	(1,510)	–	–	–	–	(1,510)
Net currency exposure	(188,692)	5,029	(23,349)	(7,782)	(8,054)	160,648	80,489	96,445	114,734

Others include mainly United Arab Emirates Dirham, 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)

	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
The Group									
2013 (Restated)									
Other financial assets	–	–	–	3,809	209,817	–	–	–	213,626
Trade and other receivables	119,367	121,688	306,264	7,523	277,638	197,363	58,730	285,430	1,374,003
Cash and cash equivalents	223,902	116,615	1,054,132	3,070	143,399	29,684	104,677	85,404	1,760,883
Borrowings	(946,715)	(1,014,406)	(517,497)	(221,585)	(1,219,507)	(423,507)	(435,741)	(455,769)	(5,234,727)
Trade and other payables	(302,629)	(16,782)	(1,155,908)	(15,099)	(60,228)	(54,192)	(71,757)	(78,874)	(1,755,469)
Gross currency exposure	(906,075)	(792,885)	(313,009)	(222,282)	(648,881)	(250,652)	(344,091)	(163,809)	(3,641,684)
Add/Less:									
Net financial liabilities denominated in the respective entities' functional currencies	138,798	913,875	442,809	177,239	531,090	414,556	391,442	221,620	3,231,429
Cross currency swaps/ forward foreign exchange contracts	502,308	–	–	–	122,700	(906)	1,165	–	625,267
Less:									
Available-for-sale financial assets	–	–	–	(3,810)	–	–	–	–	(3,810)
Net currency exposure	(264,969)	120,990	129,800	(48,853)	4,909	162,998	48,516	57,811	211,202

Others include mainly United Arab Emirates Dirham, Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

	US Dollars $'000	Total Foreign Currency $'000
The Company		
2014		
Cash and cash equivalents	174	174
Trade and other receivables	6	6
Currency exposure	180	180
2013		
Cash and cash equivalents	91	91
Trade and other receivables	7	7
Currency exposure	98	98

Sensitivity analysis

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore Dollar would increase the Group's profit before tax by approximately $5.7 million (2013: $10.6 million) and increase the Group's other components of equity by approximately $0.1 million (2013: $0.2 million). A five percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward foreign exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

There was no significant exposure to foreign currencies for the Company as at 31 December 2014 and 31 December 2013.

33 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Market risk (cont'd)

(iii) Equity price risk

The Group does not have significant exposure to equity price risk as at 31 December 2014 and 31 December 2013.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade receivables, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables relate mainly to the Group's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria.

The principal risk to which the Group and the Company is exposed to in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts they have issued. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for the benefit of its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 36.

The Group has a diversified portfolio of businesses and as at balance sheet date, there was no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint ventures.

(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.

33 FINANCIAL RISK MANAGEMENT (cont'd)

(d) Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash flows of financial liabilities and derivative financial instruments, including interest payments and excluding the impact of netting agreements:

		Contractual cash flows			
	Carrying amount $'000	Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
The Group					
2014					
Financial liabilities, at amortised cost					
Bank borrowings	(8,210,666)	(8,727,770)	(3,193,818)	(4,662,631)	(871,321)
Debt securities	(7,775,152)	(9,284,765)	(614,675)	(3,476,246)	(5,193,844)
Trade and other payables#	(3,161,678)	(3,204,955)	(2,623,763)	(536,871)	(44,321)
	(19,147,496)	(21,217,490)	(6,432,256)	(8,675,748)	(6,109,486)
Derivative financial assets/(liabilities), at fair value					
Interest rate swap (net-settled)					
- assets	1,852	4,859	2,045	2,814	–
- liabilities	(19,876)	(26,336)	(14,700)	(11,208)	(428)
Forward foreign exchange contracts (net-settled)					
- assets	1,603	1,603	1,603	–	–
- liabilities	(7,538)	(7,538)	(7,538)	–	–
Forward foreign exchange contracts (gross-settled)	318				
- outflow		(10,327)	(10,327)	–	–
- inflow		10,645	10,645	–	–
Forward foreign exchange contracts (gross-settled)	(961)				
- outflow		(48,834)	(48,834)	–	–
- inflow		47,873	47,873	–	–
Cross currency swaps (gross-settled)	56,488				
- outflow		(630,744)	(13,248)	(73,876)	(543,620)
- inflow		651,733	15,241	84,738	551,754
Cross currency swaps (gross-settled)	(40,298)				
- outflow		(259,667)	(6,495)	(174,116)	(79,056)
- inflow		233,190	1,855	155,684	75,651
	(8,412)	(33,543)	(21,880)	(15,964)	4,301
	(19,155,908)	(21,251,033)	(6,454,136)	(8,691,712)	(6,105,185)

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			
	Carrying amount $'000	**Total $'000**	**Not later than 1 year $'000**	**Between 1 and 5 years $'000**	**After 5 years $'000**
The Group					
2013 (Restated)					
Financial liabilities, at amortised cost					
Bank borrowings	(8,563,160)	(9,063,975)	(1,176,827)	(7,238,801)	(648,347)
Debt securities	(7,373,003)	(8,880,524)	(435,426)	(3,400,242)	(5,044,856)
Trade and other payables#	(2,902,766)	(2,940,644)	(2,367,982)	(528,329)	(44,333)
	(18,838,929)	(20,885,143)	(3,980,235)	(11,167,372)	(5,737,536)
Derivative financial assets/(liabilities), at fair value					
Interest rate swaps (net-settled)					
- assets	929	1,024	(1,072)	1,772	324
- liabilities	(30,295)	(49,836)	(24,106)	(25,730)	–
Forward foreign exchange contracts (net-settled)					
- assets	1,550	1,550	1,550	–	–
- liabilities	(14,171)	(14,171)	(14,171)	–	–
Forward foreign exchange contracts (gross-settled)	373				
- outflow		(7,259)	(7,259)	–	–
- inflow		7,633	7,633	–	–
Cross currency swaps (gross-settled)	7,960				
- outflow		(649,200)	(13,248)	(73,876)	(562,076)
- inflow		666,722	14,730	81,896	570,096
Cross currency swaps (gross-settled)	(25,171)				
- outflow		(173,816)	(4,282)	(17,128)	(152,406)
- inflow		158,262	1,667	6,669	149,926
	(58,825)	(59,091)	(38,558)	(26,397)	5,864
	(18,897,754)	(20,944,234)	(4,018,793)	(11,193,769)	(5,731,672)

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 →			
	Carrying amount $'000	Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
The Company					
2014					
Financial liabilities, at amortised cost					
Debt securities	(3,234,116)	(3,835,514)	(77,983)	(1,165,269)	(2,592,262)
Trade and other payables#	(42,469)	(42,469)	(42,469)	–	–
	(3,276,585)	(3,877,983)	(120,452)	(1,165,269)	(2,592,262)
2013					
Financial liabilities, at amortised cost					
Debt securities	(3,190,458)	(3,918,364)	(69,845)	(1,199,046)	(2,649,473)
Trade and other payables#	(1,347,580)	(1,347,580)	(1,347,580)	–	–
	(4,538,038)	(5,265,944)	(1,417,425)	(1,199,046)	(2,649,473)

Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and affect the profit or loss:

		← Contractual cash flows →			
	Carrying amount $'000	Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
The Group					
2014					
Interest rate swaps					
- assets	1,852	4,859	2,045	2,814	–
- liabilities	(19,876)	(26,336)	(14,700)	(11,208)	(428)
Forward foreign exchange contracts					
- assets	9	9	9	–	–
- liabilities	(319)	(319)	(319)	–	–
Cross currency swaps					
- assets	56,488	20,989	1,993	10,862	8,134
- liabilities	(40,298)	(26,477)	(4,640)	(18,432)	(3,405)
	(2,144)	(27,275)	(15,612)	(15,964)	4,301

33 FINANCIAL RISK MANAGEMENT (cont'd)

(d) Liquidity risk (cont'd)

		Contractual cash flows			
	Carrying amount $'000	Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
The Group					
2013 (Restated)					
Interest rate swaps					
- assets	929	1,024	(1,072)	1,772	324
- liabilities	(30,295)	(49,836)	(24,106)	(25,730)	–
Forward foreign exchange contracts					
- assets	55	55	55	–	–
- liabilities	(938)	(938)	(938)	–	–
Cross currency swaps					
- assets	7,960	17,522	1,482	8,020	8,020
- liabilities	(25,171)	(15,554)	(2,615)	(10,459)	(2,480)
	(47,460)	(47,727)	(27,194)	(26,397)	5,864

(e) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's and the Company's balance sheets; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheets.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the balance sheets.

The Group's derivative transactions that are not transacted through an exchange, are governed by the International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements, the amounts due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount and settled between the counterparties. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and set off into a single net amount to be settled.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheets as a right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

33 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Offsetting financial assets and financial liabilities (cont'd)

	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet $'000	Net amount of financial assets/ (liabilities) presented in the balance sheet $'000	Related amount not offset in the balance sheet $'000	Net amount $'000
The Group					
2014					
Types of financial assets					
Interest rate swaps	1,852	–	1,852	–	1,852
Forward foreign exchange contracts	1,921	–	1,921	(1,259)	662
Cross currency swaps	56,488	–	56,488	–	56,488
	60,261	–	60,261	(1,259)	59,002
Types of financial liabilities					
Interest rate swaps	(19,876)	–	(19,876)	–	(19,876)
Forward foreign exchange contracts	(8,499)	–	(8,499)	1,259	(7,240)
Cross currency swaps	(40,298)	–	(40,298)	–	(40,298)
	(68,673)	–	(68,673)	1,259	(67,414)
2013 (Restated)					
Types of financial assets					
Interest rate swaps	929	–	929	–	929
Forward foreign exchange contracts	1,923	–	1,923	(1,605)	318
Cross currency swaps	7,960	–	7,960	–	7,960
	10,812	–	10,812	(1,605)	9,207
Types of financial liabilities					
Interest rate swaps	(30,225)	–	(30,225)	–	(30,225)
Forward foreign exchange contracts	(14,171)	–	(14,171)	1,605	(12,566)
Cross currency swaps	(25,171)	–	(25,171)	–	(25,171)
	(69,567)	–	(69,567)	1,605	(67,962)

33 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Offsetting financial assets and financial liabilities (cont'd)

	Gross amount of recognised financial assets/ (liabilities) $'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet $'000	Net amount of financial assets/ (liabilities) presented in the balance sheet $'000	Related amount not offset in the balance sheet $'000	Net amount $'000
The Company					
2014					
Types of financial assets					
Amount due from subsidiaries, current account	33,823	(298)	33,525	–	33,525
Types of financial liabilities					
Amount due to subsidiaries, current account	(298)	298	–	–	–
2013					
Types of financial assets					
Amount due from subsidiaries, current account	21,572	(433)	21,139	–	21,139
Types of financial liabilities					
Amount due to subsidiaries, current account	(433)	433	–	–	–

33 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Offsetting financial assets and financial liabilities (cont'd)

	Net amount $'000	Line item in the balance sheet	Carrying amount in the balance sheet $'000	Financial assets/ (liabilities) not in scope of offsetting disclosures $'000	Note
The Group					
2014					
Types of financial assets					
Interest rate swaps	1,852				
Forward foreign exchange contracts	1,921				
Cross currency swaps	56,488				
	60,261	Other current assets, including derivatives and other non-current assets, including derivatives	1,011,682	951,421	10(a) and 10(b)
Types of financial liabilities					
Interest rate swaps	(19,876)				
Forward foreign exchange contracts	(8,499)				
Cross currency swaps	(40,298)				
	(68,673)	Other non-current liabilities and trade and other payables, including derivatives	(3,725,134)	(3,656,461)	17 and 21
2013 (Restated)					
Types of financial assets					
Interest rate swaps	929				
Forward foreign exchange contracts	1,923				
Cross currency swaps	7,960				
	10,812	Other current and non-current assets, including derivatives	740,228	729,416	10(a) and 10(b)
Types of financial liabilities					
Interest rate swaps	(30,225)				
Forward foreign exchange contracts	(14,171)				
Cross currency swaps	(25,171)				
	(69,567)	Other non-current liabilities and trade and other payables, including derivatives	(3,514,952)	(3,445,385)	17 and 21

33 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Offsetting financial assets and financial liabilities (cont'd)

	Net amount $'000	Line item in the balance sheet	Carrying amount in the balance sheet $'000	Financial assets not in scope of offsetting disclosures $'000	Note
The Company					
2014					
Types of financial assets					
Amount due from subsidiaries, current account	33,525	Trade and other receivables	341,427	307,902	12
2013					
Types of financial assets					
Amount due from subsidiaries, current account	21,139	Trade and other receivables	1,100,375	1,079,236	12

34 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Determination of fair value

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

(i) Derivatives

Forward foreign exchange contracts, cross currency swap contracts and interest rate swap contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present valuation calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rate, interest rate curves and forward rate curves.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date. In respect of the liability component of convertible bonds, the fair value at initial recognition is determined using a market interest rate of similar liabilities that do not have a conversion option.

(iii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the balance sheet date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument in the balance sheet.

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(a) Determination of fair value (cont'd)

(iv) Investment properties

The Group's investment property portfolio is mostly valued by external and independent valuation companies every six months. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques including direct comparison method, capitalisation approach, discounted cash flows and residual method in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield and discount rate.

Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin on construction and development. The estimated cost to complete is determined based on the construction cost per square metre in the pertinent area.

(v) Assets held for sale

The fair value of the Group's assets held for sale is either valued by an independent valuer or based on agreed contractual selling price on a willing buyer willing seller basis. For assets held for sale valued by an independent valuer, the valuer has considered the direct comparison and income capitalisation approaches in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of assets held for sale include market-corroborated capitalisation rate.

(vi) Property, plant and equipment

The fair value of the property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The residual values of serviced residence properties at the end of the intended holding period are determined based on annual independent professional valuations, using valuation methods such as discounted cash flow and/or comparison method. The key assumptions used to determine the residual values of serviced residence properties include terminal yield and discount rate.

(vii) Share-based payment transactions

The fair values of employee performance share plan and restricted stock/share plan are measured using Monte Carlo Simulation. The fair value of employee share option plan is measured using Enhanced Trinomial (Hull and White) valuation model. Measurement inputs include the share price at grant date, expected volatility (based on an evaluation of the historical volatility of the Company's and subsidiaries' share price), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair values.

(b) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(c) Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for short term trade and other receivables, cash and cash equivalents and trade and other payables as their carrying amounts are reasonable approximation of fair values.

		Carrying amount				
	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 $'000
The Group						
2014						
Financial assets measured at fair value						
Available-for-sale financial assets:						
- Unquoted equity securities	10(a)	–	–	193,606	–	193,606
Derivative financial assets:						
- Interest rate swaps and forward foreign exchange contracts	10(b)	2,309	–	–	–	2,309
- Cross currency swaps and interest rate swaps	10(a)	57,952	–	–	–	57,952
		60,261	–	193,606	–	253,867
Financial assets not measured at fair value						
Other non-current assets		–	119,479	–	–	119,479
		–	119,479	–	–	119,479
Financial liabilities measured at fair value						
Derivative financial liabilities:						
- Interest rate swaps and forward foreign exchange contracts	17	(12,129)	–	–	–	(12,129)
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	21	(56,544)	–	–	–	(56,544)
		(68,673)	–	–	–	(68,673)
Financial liabilities not measured at fair value						
Other non-current liabilities		–	–	–	(128,162)	(128,162)
Bank borrowings	19	–	–	–	(8,210,666)	(8,210,666)
Debt securities	20	–	–	–	(7,775,152)	(7,775,152)
		–	–	–	(16,113,980)	(16,113,980)

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(c) Accounting classifications and fair values (cont'd)

	Fair value			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group				
2014				
Financial assets measured at fair value				
Available-for-sale financial assets:				
- Unquoted equity securities	–	–	193,606	193,606
Derivative financial assets:				
- Interest rate swaps and forward foreign exchange contracts	–	2,309	–	2,309
- Cross currency swaps and interest rate swaps	–	57,952	–	57,952
	–	60,261	193,606	253,867
Financial assets not measured at fair value				
Other non-current assets	–	–	119,479	119,479
	–	–	119,479	119,479
Financial liabilities measured at fair value				
Derivative financial liabilities:				
- Interest rate swaps and forward foreign exchange contracts	–	(12,129)	–	(12,129)
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	–	(56,544)	–	(56,544)
	–	(68,673)	–	(68,673)
Financial liabilities not measured at fair value				
Other non-current liabilities	–	–	(122,632)	(122,632)
Bank borrowings	–	(8,215,183)	–	(8,215,183)
Debt securities	(4,577,349)	(3,412,909)	–	(7,990,258)
	(4,577,349)	(11,628,092)	(122,632)	(16,328,073)

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(c) Accounting classifications and fair values (cont'd)

		Carrying amount				
	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 $'000
The Group						
2013 (Restated)						
Financial assets measured at fair value						
Available-for-sale financial assets:						
- Unquoted equity securities	10(a)	–	–	213,626	–	213,626
- Money market investment	10(b)	–	–	195,000	–	195,000
Derivative financial assets:						
- Forward foreign exchange contracts	10(b)	1,923	–	–	–	1,923
- Cross currency swaps and interest rates swap	10(a)	8,889	–	–	–	8,889
		10,812	–	408,626	–	419,438
Financial assets not measured at fair value						
Other non-current assets		–	141,568	–	–	141,568
		–	141,568	–	–	141,568
Financial liabilities measured at fair value						
Derivative financial liabilities:						
- Interest rate swaps and forward foreign exchange contracts	17	(17,752)	–	–	–	(17,752)
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	21	(51,885)	–	–	–	(51,885)
		(69,637)	–	–	–	(69,637)
Financial liabilities not measured at fair value						
Other non-current liabilities		–	–	–	(149,225)	(149,225)
Bank borrowings	19	–	–	–	(8,563,160)	(8,563,160)
Debt securities	20	–	–	–	(7,373,003)	(7,373,003)
		–	–	–	(16,085,388)	(16,085,388)

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(c) Accounting classifications and fair values (cont'd)

	Fair value			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group				
2013 (Restated)				
Financial assets measured at fair value				
Available-for-sale financial assets:				
- Unquoted equity securities	–	–	213,626	213,626
- Money market investment	–	195,000	–	195,000
Derivative financial assets:				
- Forward foreign exchange contracts	–	1,923	–	1,923
- Cross currency swaps and interest rates swap	–	8,889	–	8,889
	–	205,812	213,626	419,438
Financial assets not measured at fair value				
Other non-current assets	–	–	141,568	141,568
	–	–	141,568	141,568
Financial liabilities measured at fair value				
Derivative financial liabilities:				
- Interest rate swaps and forward foreign exchange contracts	–	(17,752)	–	(17,752)
- Interest rate swaps, forward foreign exchange contracts and cross currency swaps	–	(51,885)	–	(51,885)
	–	(69,637)	–	(69,637)
Financial liabilities not measured at fair value				
Other non-current liabilities	–	–	(144,359)	(144,359)
Bank borrowings	–	(8,567,212)	–	(8,567,212)
Debt securities	(4,829,284)	(2,742,669)	–	(7,571,953)
	(4,829,284)	(11,309,881)	(144,359)	(16,283,524)

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(c) Accounting classifications and fair values (cont'd)

		Carrying amount	Fair value			
	Note	Other financial liabilities within the scope of FRS 39 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Company						
2014						
Financial liabilities not measured at fair value						
Debt securities	20	(3,234,116)	(3,343,353)	–	–	(3,343,353)
		(3,234,116)	(3,343,353)	–	–	(3,343,353)
2013						
Financial liabilities not measured at fair value						
Debt securities	20	(3,190,458)	(3,306,930)	–	–	(3,306,930)
		(3,190,458)	(3,306,930)	–	–	(3,306,930)

The following table shows the carrying amounts and fair values of significant non-financial assets, including their levels in the fair value hierarchy.

		Fair value			
	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group					
2014					
Non-financial assets measured at fair value					
Investment properties	5	–	–	17,149,198	17,149,198
Assets held for sale	15	–	–	191,403	191,403
		–	–	17,340,601	17,340,601
2013 (Restated)					
Non-financial assets measured at fair value					
Investment properties	5	–	–	15,495,934	15,495,934
Assets held for sale	15	–	–	87,033	87,033
		–	–	15,582,967	15,582,967

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(c) Accounting classifications and fair values (cont'd)

The Group's investment properties which are classified under Level 3 are analysed as below:

	Shopping malls $'000	Commercial and integrated developments $'000	Serviced residences $'000	Total $'000
The Group				
2014				
Singapore	2,118,000	6,311,297	778,817	9,208,114
China	425,492	1,760,228	807,729	2,993,449
Others*	1,988,317	8,380	2,950,938	4,947,635
	4,531,809	8,079,905	4,537,484	17,149,198
2013 (Restated)				
Singapore	2,103,999	5,873,393	644,076	8,621,468
China	398,665	1,279,824	543,110	2,221,599
Others*	2,003,011	8,672	2,641,184	4,652,867
	4,505,675	7,161,889	3,828,370	15,495,934

* Others include countries in Asia (excluding Singapore and China), Europe and Australia.

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(d) Level 3 fair value measurements

(i) Reconciliation of Level 3 fair value

The movements of financial and non-financial assets classified under Level 3 are presented as follows:

	Note	Unquoted equity securities $'000	Investment properties: Completed $'000	Investment properties: Under development $'000	Assets held for sale $'000
The Group					
2014					
Balance as at 1 January 2014, restated		213,626	13,389,035	2,106,899	87,033
Acquisition of subsidiaries	31(b)	–	363,514	–	–
Additions		–	420,791	641,116	–
Disposals		(2,575)	(89,175)	–	(5,456)
Changes in fair value recognised in the profit or loss		–	393,709	57,386	5,826
Changes in fair value recognised in other comprehensive income		3,283	–	–	–
Reclassifications (to)/from development properties for sale and property, plant and equipment		–	(232,512)	232,107	–
Reclassification from investment in associates		–	–	–	104,000
Reclassifications		–	1,313,465	(1,313,465)	–
Translation differences		(20,728)	(171,389)	37,717	–
Balance as at 31 December 2014		193,606	15,387,438	1,761,760	191,403
2013					
Balance as at 1 January 2013, restated		268,681	13,988,461	3,893,608	–
Acquisition of subsidiaries		–	303,379	443,329	–
Disposal of subsidiaries		(178)	(2,779,866)	(597,083)	–
Capital reduction		(11,083)	–	–	–
Additions		–	138,811	690,811	–
Disposals/Written off		–	(276,620)	–	(106)
Changes in fair value recognised in the profit or loss		–	452,308^	9,150	–
Changes in fair value recognised in other comprehensive income		1,699	–	–	–
Reclassifications (to)/from assets held for sale and investment properties		–	(86,471)	–	86,471
Reclassifications (to)/from development properties for sale and property, plant and equipment		–	(126,796)	(200,560)	668
Reclassifications		–	2,147,802	(2,147,802)	–
Translation differences		(45,493)	(371,973)	15,446	–
Balance as at 31 December 2013		213,626	13,389,035	2,106,899	87,033

^ Included $16.3 million relating to a discontinued operation.

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(d) Level 3 fair value measurements (cont'd)

(ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Shopping malls, offices, serviced residences and integrated development properties located in Australia, China, Europe, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore and Vietnam.	Capitalisation approach	- Capitalisation rate: 3.8% to 13.0% (net[1]); 5.5% to 9.5% (gross[2]) (2013: 3.8% to 10.0% (net[1]); 5.5% to 9.5% (gross[2])) - Occupancy rate: 47.8% to 100% (2013: 52.2% to 100%)	The estimated fair value varies inversely against the capitalisation rate and increases with the higher occupancy rate.
	Discounted cashflow approach	- Discount rate: 4.0% to 15.0% (2013: 4.1% to 15.0%) - Terminal yield rate: 3.0% to 12.0% (2013: 3.3% to 12.0%) - Occupancy rate: 49.2% to 100% (2013: 52.6% to 100%)	The estimated fair value varies inversely against the discount rate and terminal yield rate and increases with the higher occupancy rate.
	Residual value method	- Gross development value $405.0 million to $1,269.2 million (2013: $405.0 million to $1,352.9 million), estimated cost to completion of $159.4 million to $358.4 million (2013: $291.9 million to $397.5 million)	The estimated fair value increases with higher gross development value and decreases with higher cost to completion.
	Direct comparison approach	- Comparable price: $1,790 to $6,560 per square meter (2013: $1,790 per square metre)	The estimated fair value increases with higher comparable price.
Assets held for sale[3]	Direct comparison and income capitalisation approaches	- Comparable price: $8,656 per square metre (2013: $8,534 per square metre) - Capitalisation rate: 4.3% (2013: 5.0%)	The estimated fair value varies inversely against the capitalisation rate and increase with the higher comparable price.

[1] Net yield basis: after deducting property and related expenses

[2] Gross yield basis: before deducting property and related expenses

[3] The key unobservable input for one of the assets held for sale is the agreed contractual selling price

The fair value of unquoted equity securities was estimated based on the fair value of the underlying Japanese commercial investment property of the investee company. The valuation was based on discounted cash flow approach and its significant unobservable inputs were consistent with the information as presented above.

34 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation processes applied by the Group

The significant non-financial asset of the Group categorised within Level 3 of the fair value hierarchy is investment properties. Generally, the fair values of investment properties are determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation companies provide the fair values of the Group's investment property portfolio every six months. The valuation and its financial impact are discussed with the Audit Committee and Board of Directors in accordance with the Group's reporting policies.

35 COMMITMENTS

As at the balance sheet date, the Group and the Company had the following commitments:

(a) Operating lease

The Group leases a number of offices, motor vehicles, office equipments and serviced apartments under operating leases. The leases have tenure ranging from one to 30 years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate. Future minimum lease payments for the Group and the Company on non-cancellable operating leases are as follows:

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
		Restated		
Lease payments payable:				
Not later than 1 year	45,656	56,638	8,366	7,405
Between 1 and 5 years	76,975	116,541	45,751	36,238
After 5 years	38,947	74,573	28,848	47,455
	161,578	247,752	82,965	91,098

(b) Commitments

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
		Restated		
Commitments in respect of:				
- capital expenditure contracted but not provided for in the financial statements	69,581	115,485	15,360	9,303
- development expenditure contracted but not provided for in the financial statements	1,864,722	1,664,312	–	–
- capital contribution in associates and joint ventures	460,433	679,758	–	–
- purchase of land/properties contracted but not provided for in the financial statements	693,840	905,961	–	–
- shareholders' loan committed to a joint venture and associates	99,112	5,710	–	–
	3,187,688	3,371,226	15,360	9,303

35 COMMITMENTS (cont'd)

(c) As at the balance sheet date, the notional principal values of financial instruments were as follows:

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
		Restated		
Interest rate swaps	3,695,249	3,442,252	–	–
Forward foreign exchange contracts	642,204	721,276	–	–
Cross currency swaps	668,152	610,900	–	–
	5,005,605	4,774,428	–	–

(d) The maturity profile of these financial instruments were:

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
		Restated		
Not later than 1 year	2,479,032	981,031	–	–
Between 1 and 5 years	1,893,749	3,074,882	–	–
After 5 years	632,824	718,515	–	–
	5,005,605	4,774,428	–	–

36 FINANCIAL GUARANTEE CONTRACTS

The Group accounts for its financial guarantees as insurance contracts. There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. At balance sheet date, the Group and the Company do not consider that it is probable that a claim will be made against the Group and the Company under the financial guarantee contracts. Accordingly, the Group and the Company do not expect any net cash outflows resulting from the financial guarantee contracts. The Group and the Company issue guarantees only for their subsidiaries and related parties.

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
(a) Guarantees given to banks to secure banking facilities provided to:				
- subsidiaries	–	–	2,202,021	2,929,639
- joint ventures	7,978	8,367	–	–
	7,978	8,367	2,202,021	2,929,639

(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 a term loan amounting to $433.0 million (2013: $869.1 million) and bankers' guarantee facility amounting to $133.9 million (2013: $133.9 million) granted to an associate. As at 31 December 2014, the total amount outstanding under the facilities was $433.0 million (2013: $736.8 million).

(ii) A subsidiary of the Group has provided an undertaking on security margin on a joint and several basis, in respect of term loan and revolving loan facilities amounting to $1,618.0 million (2013: $1,618.0 million) granted to a joint venture. As at 31 December 2014, the amount outstanding under the facilities was $1,618.0 million (2013: $1,618.0 million).

(iii) 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 2014, the outstanding notional amount of the guarantees amounted to $178.8 million (2013: $182.2 million).

37 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, and Executive Management Council comprising the President & Group CEO, key management officers of the corporate office and CEOs of the strategic business units, to be key management personnel in accordance with FRS 24 *Related Party Disclosures*.

In addition to the related party information disclosed elsewhere in the financial statements, there were significant related party transactions which were carried out in the normal course of business on terms agreed between the parties as follows:

	The Group		The Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
		Restated		**Restated**
Related Corporations				
Project management fee income	1,980	2,246	–	–
Subsidiaries				
Management fee income	–	–	72,535	65,530
IT and administrative support services	–	–	17,049	17,324
Rental expense	–	–	(7,099)	(4,040)
Others	–	–	(852)	707
Associates and Joint Ventures				
Management fee income	279,706	244,029	–	–
Construction and project management income	47,342	49,177	–	–
Rental expense	(3,894)	(2,912)	(51)	(51)
Proceeds from sale of an investment	–	226,707	–	–
Consideration for acquisitions of investments	109,321	119,671	–	–
Accounting service fee, acquisition fee, divestment fee, marketing income and others	16,543	45,852	(43)	(326)
Key Management Personnel				
Purchase of shares pursuant to voluntary cash offer for a subsidiary	5,076	–	–	–
Subscription of shares in a subsidiary pursuant to rights issues	–	191	–	–
Repurchase of bonds by the Company	–	558	–	558
Interest paid/payable by the Company and its subsidiaries	89	96	29	36
Remuneration of Key Management Personnel				
Salary, bonus and other benefits	14,121	13,240	8,027	7,364
Employer's contributions to defined contribution plans	110	109	60	52
Equity compensation benefits	8,494	5,818	4,616	3,387
	22,725	19,167	12,703	10,803

38 OPERATING SEGMENTS

Management determines the operating segments based on the reports reviewed and used by the Executive Management Council for strategic decisions making and resources allocation. For management purposes, the Group is organised into strategic business units based on their products, services and geography.

The Group has four main businesses – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia (CMA) and The Ascott Limited (Ascott). The Group's businesses in Singapore and China exclude that of CMA and Ascott, are under CapitaLand Singapore and CapitaLand China respectively. CMA and Ascott are the other two main business units and they operate across geographies that CapitaLand is in.

The Group's reportable operating segments are as follows:

(i) CapitaLand Singapore – owner/manager of commercial and industrial properties and develops residential properties in Singapore and Malaysia for sale.

(ii) CapitaLand China – involves in the residential, commercial and integrated property development in China.

(iii) CapitaMalls Asia – shopping mall owner/manager with portfolio in Singapore, China, India, Japan and Malaysia.

(iv) Ascott – an international serviced residence owner-operator with operations in key cities of Asia Pacific, Europe and the Gulf region. It operates three brands, namely Ascott, Somerset and Citadines.

(v) Others – includes Corporate Office, Group Treasury, Surbana (Consultancy), StorHub, Financial Services, other businesses in Vietnam, Japan and Gulf Cooperation Council countries.

Following the divestment of the Group's entire interest in Australand, its results are presented as 'discontinued operation' (note 39). Accordingly, Australand ceased to be a reportable operating segment of the Group.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business units for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax (EBIT). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter- segment balances. Inter-segment pricing is determined on arm's length basis.

Geographically, management reviews the performance of the businesses in Singapore, China, Other Asia, Europe and Others. 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.

38 OPERATING SEGMENTS (cont'd)

Operating Segments – 31 December 2014

	CapitaLand Singapore $'000	CapitaLand China $'000	CapitaMalls Asia $'000	Ascott $'000	Others $'000	Elimination $'000	Total $'000
Revenue							
External revenue	1,232,921	636,186	1,177,468	682,895	195,128	–	3,924,598
Inter-segment revenue	8,616	1,314	276	39	405,931	(416,176)	–
Total revenue	**1,241,537**	**637,500**	**1,177,744**	**682,934**	**601,059**	**(416,176)**	**3,924,598**
Segmental results							
Company and subsidiaries	611,113	170,603	440,325	248,883	636,795	(640,714)	1,467,005
Associates	67,196	202,996	303,384	48,957	5,934	(1,639)	626,828
Joint ventures	124,374	35,502	201,453	(344)	(17,878)	–	343,107
Earnings before interest and tax	**802,683**	**409,101**	**945,162**	**297,496**	**624,851**	**(642,353)**	**2,436,940**
Finance costs							(439,473)
Tax expense							(266,908)
Profit from continuing operations							1,730,559
Profit from discontinued operation							29,134
Profit for the year							**1,759,693**
Segment Assets	**11,753,783**	**10,497,957**	**13,245,960**	**6,886,655**	**8,447,364**	**(6,718,231)**	**44,113,488**
Segment Liabilities	**4,166,311**	**3,153,220**	**4,681,717**	**3,163,167**	**5,740,542**	**–**	**20,904,957**
Other segment items:							
Interest income	7,444	11,384	19,242	9,213	10,005	–	**57,288**
Depreciation and amortisation	(5,299)	(1,694)	(10,536)	(38,285)	(13,683)	–	**(69,497)**
(Provision made)/ Reversal of provision for foreseeable losses	(80,500)	(8,334)	–	(11,500)	17,523	–	**(82,811)**
Allowance for impairment losses for assets	(1,898)	(79)	(557)	(23)	(20,277)	(39,929)	**(62,763)**
Fair value gains/(losses) on investment properties and assets held for sale	327,744	38,902	24,152	72,311	(6,188)	–	**456,921**
Share-based expenses	(5,809)	(5,784)	(26,189)	(4,664)	(10,274)	–	**(52,720)**
Gains/(Losses) on disposal of investments	1,863	7,782	(8,614)	2,835	1,238	–	**5,104**
Associates	580,514	2,818,578	5,065,528	285,962	39,117	–	**8,789,699**
Joint ventures	1,226,687	478,234	2,196,431	3,055	86,754	–	**3,991,161**
Capital expenditure#	444,569	78,006	185,443	386,758	95,029	–	**1,189,805**

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

38 OPERATING SEGMENTS (cont'd)

Operating Segments – 31 December 2013 (Restated)

	CapitaLand Singapore $'000	CapitaLand China $'000	CapitaMalls Asia $'000	Ascott $'000	Others $'000	Elimination $'000	Total $'000
Revenue							
External revenue	1,228,089	898,509	640,420	634,805	109,210	–	3,511,033
Inter-segment revenue	9,345	498	268	150	414,996	(425,257)	–
Total revenue	**1,237,434**	**899,007**	**640,688**	**634,955**	**524,206**	**(425,257)**	**3,511,033**
Segmental results							
Company and subsidiaries	574,073	140,380	380,634	317,666	201,191	(257,996)	1,355,948
Associates	51,676	237,564	288,507	5,525	4,183	(1,523)	585,932
Joint ventures	123,384	9,743	175,786	159	7,608	–	316,680
Earnings before interest and tax	**749,133**	**387,687**	**844,927**	**323,350**	**212,982**	**(259,519)**	**2,258,560**
Finance costs							(481,677)
Tax expense							(205,138)
Profit from continuing operations							1,571,745
Profit from discontinued operation							33,778
Profit for the year							**1,605,523**
Segment assets	**11,611,207**	**8,967,877**	**12,447,561**	**6,224,200**	**12,972,748**	**(7,160,494)**	**45,063,099**
Segment liabilities	**4,088,199**	**2,568,844**	**4,643,167**	**2,744,143**	**6,563,963**	**–**	**20,608,316**
Other segment items:							
Interest income	11,536	17,968	25,324	9,633	15,701	–	**80,162**
Depreciation and amortisation	(6,224)	(2,223)	(9,552)	(34,949)	(9,713)	–	**(62,661)**
Provision made for foreseeable losses	–	(23,008)	–	–	(2,346)	–	**(25,354)**
Allowance for impairment losses for assets	(40)	(42,569)	(581)	(12,404)	(200,199)	191,961	**(63,832)**
Fair value gains on investment properties and assets held for sale	141,413	31,985	124,239	146,042	1,527	–	**445,206**
Share-based expenses	(6,714)	(3,600)	(13,187)	(4,017)	(10,655)	–	**(38,173)**
(Losses)/Gains on disposal of investments	(12,573)	52,855	36,187	5,775	2,120	–	**84,364**
Associates	522,165	2,517,283	4,037,304	411,490	1,522,669	–	**9,010,911**
Joint ventures	1,201,327	401,588	1,973,024	3,261	83,115	–	**3,662,315**
Capital expenditure#	252,077	77,255	427,427	90,285	64,644^	–	**911,688**

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

^ Included $50.5 million from a discontinued operation.

38 OPERATING SEGMENTS (cont'd)

Geographic Information

	Singapore $'000	China+ $'000	Other Asia# $'000	Europe and Others* $'000	Group $'000
2014					
External revenue	2,145,274	865,261	558,527	355,536	3,924,598
Non-current assets^	14,063,179	11,180,701	3,778,912	2,417,592	31,440,384
Total assets	18,664,898	18,269,007	4,671,483	2,508,100	44,113,488
2013 (Restated)					
External revenue	1,613,341	1,104,737	441,821	351,134	3,511,033
Non-current assets^	12,860,449	9,660,525	3,654,138	3,127,503	29,302,615
Total assets	21,568,354	15,277,634	4,756,803	3,460,308	45,063,099

+ China includes Hong Kong.

Other Asia includes Indonesia, Japan, Malaysia, Philippines, Thailand, Korea, India, Vietnam and Gulf Cooperation Council countries.

* Europe and Others include Australia.

^ Non-current assets comprised property, plant and equipment, intangible assets, investment properties, associates and joint ventures.

39 DISCONTINUED OPERATION

Australand, a major diversified property group in Australia, was previously a reporting segment for the Group. In November 2013, the Group divested its 20% interest in Australand and retained an effective interest of 39.1% in the entity. In March 2014, the Group completed the sale of its remaining 39.1% stake in Australand through a secondary placement of its stapled securities and Australand ceased to be an associate of the Group.

The results from Australand was not previously presented as a discontinued operation as at 31 December 2013 and thus the comparative income statement has been re-presented to show the discontinued operation separately from continuing operations.

39 DISCONTINUED OPERATION (cont'd)

The results of the discontinued operation are as follows:

	The Group	
	2014 $'000	**2013 $'000**
Revenue	–	1,010,457
Cost of sales	–	(755,209)
Gross profit	–	255,248
Other operating income	–	78,679
Administrative expenses	–	(137,954)
Other operating expenses	–	(5,484)
Profit from operations	–	190,489
Finance costs	–	(58,239)
Share of results of associates	16,300	32,123
Share of results of joint ventures	–	(9,746)
Profit before gain on sale of discontinued operation	16,300	154,627
Gain/(Loss) on sale of discontinued operation	19,059	(120,849)
Tax on gain on sale of discontinued operation	(6,225)	–
Profit for the year	29,134	33,778
Profit attributable to:		
Owners of the Company	29,134	(34,327)
Non-controlling interest	–	68,105
Profit for the year	29,134	33,778

The impact of the discontinued operation on the consolidated cash flow of the Group is as follows:

	The Group	
	2014 $'000	**2013 $'000**
Operating cash flows	–	189,556
Investing cash flows	952,356	461,493
Financing cash flows	–	(264,018)
Total cash flows from discontinued operation	952,356	387,031

40 SUBSEQUENT EVENT

On 16 February 2015, the Group announced that it will acquire the remaining 60% equity interest in CapitaLand Township Holdings Pte Ltd (CL Township), whose principal activity relates to township development in China, for a cash consideration of $240 million. The Group will also sell its 40% equity interest in Surbana International Consultants Holdings Pte Ltd (SIC), which provides building consultancy services and related businesses in Asia, Africa and Middle East, for a cash consideration of $104 million. Upon completion of the acquisition, the Group's interest in CL Township will increase from 40% to 100% and CL Township will become a wholly-owned subsidiary of the Group.

The full ownership of CL Township will allow the Group to integrate the township development business into CL China; while the divestment of SIC is consistent with the Group's strategy to focus resources on its core businesses.

41 COMPARATIVE INFORMATION

Certain comparatives in the financial statements have been changed from prior year due to the changes in accounting policies as described in note 2(a)(i).

Economic Value Added Statement

	Note	2014 S$ million	2013 S$ million Restated*
Continuing and Discontinued Operations			
Net Operating Profit Before Tax		1,046.6	885.7
Adjust for:			
Share of results of associates and joint ventures		986.2	925.0
Interest expense		446.1	545.4
Others		61.0	85.8
Adjusted Profit Before Interest and Tax		2,539.9	2,441.9
Cash operating taxes	1	(319.4)	(385.2)
Net Operating Profit After Tax (NOPAT)		2,220.5	2,056.7
Average capital employed	2	35,573.6	39,443.5
Weighted average cost of capital (%)	3	6.50	6.00
Capital Charge (CC)		2,312.3	2,366.6
Economic Value Added (EVA) [NOPAT - CC]		(91.8)	(309.9)
Non-controlling interests		55.7	(9.6)
Group EVA attributable to owners of the Company		(36.1)	(319.5)

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

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

Major Capital Components:	S$ million
Borrowings	16,033.4
Equity	19,069.8
Others	470.4
Total	35,573.6

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 5.75% (2013: 6.00%) per annum;

ii) Risk-free rate of 2.40% (2013: 1.32%) per annum based on yield-to-maturity of Singapore Government 10-year Bonds;

iii) Ungeared beta ranging from 0.57 to 1.00 (2013: 0.62 to 0.97) based on the risk categorisation of CapitaLand's strategic business units; and

iv) Cost of Debt rate at 3.00% (2013: 2.89%) per annum using 5-year Singapore Dollar Swap Offer rate plus 150 basis points (2013: 200 basis points).

* Comparatives for 2013 have been restated to take into account the retrospective adjustments relating to FRS 110 *Consolidated Financial Statements*.

Value Added Statement

	2014 S$ million	2013 S$ million Restated*
Continuing and Discontinued Operations		
Value Added From:		
Revenue earned	3,924.6	4,521.5
Less: Bought in materials and services	(2,143.3)	(2,675.1)
Gross Value Added	**1,781.3**	**1,846.4**
Share of results of associates and joint ventures	986.2	925.0
Exchange losses (net)	(27.5)	(17.2)
Other operating income (net)	489.3	420.5
	1,448.0	1,328.3
Total Value Added	**3,229.3**	**3,174.7**
Distribution:		
To employees in wages, salaries and benefits	549.7	621.5
To government in taxes and levies	408.0	335.7
To providers of capital in:		
- Net interest on borrowings	443.0	534.2
- Dividends to owners of the Company	340.6	298.0
	1,741.3	1,789.4
Balance Retained in the Business:		
Depreciation and amortisation	69.5	68.7
Revenue reserves net of dividends to owners of the Company	820.2	542.2
Non-controlling interests	598.8	765.3
	1,488.5	1,376.2
Non-Production (Income)/Cost:		
(Write back)/Allowance for doubtful receivables	(0.5)	9.1
Total Distribution	**3,229.3**	**3,174.7**
Productivity Analysis:		
Value added per employee (S$'000)#	209	214
Value added per dollar of employment cost (S$)	3.24	2.97
Value added per dollar sales (S$)	0.45	0.41

Based on average 2014 headcount of 8,520 (2013 restated: 8,646).

* Comparatives for 2013 have been restated to take into account the retrospective adjustments relating to FRS 110 *Consolidated Financial Statements*.

Supplemental Information

1. INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

	Group 2014 $'000
Transactions with Temasek Holdings (Private) Limited and its associates:	
Establishment of a joint venture	206,034
Sale of goods and services	7,058
Purchase of goods and services	102
Receipt of financial services	2,626
Transaction with Singapore Airlines Limited:	
Purchase of goods and services	282
Transactions with Singapore Telecommunications Limited and its associate:	
Purchase of goods and services	138

Shareholding Statistics
(as at 9 March 2015)

SHARE CAPITAL

Paid-up Capital	:	S$6,351,794,227.46
Number of Issued and Paid-up Shares (including Treasury Shares)	:	4,273,345,782
Number and Percentage of Treasury Shares	:	6,566,857 or 0.15%[1]
Number of Issued and Paid-up Shares (excluding Treasury Shares)	:	4,266,778,925
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	39.39
2	Citibank Nominees Singapore Pte Ltd	666,303,007	15.62
3	DBS Nominees Pte Ltd	540,825,460	12.68
4	HSBC (Singapore) Nominees Pte Ltd	264,693,898	6.20
5	DBSN Services Pte Ltd	161,298,756	3.78
6	United Overseas Bank Nominees Pte Ltd	142,510,568	3.34
7	Raffles Nominees (Pte) Ltd	79,045,576	1.85
8	BNP Paribas Securities Services Singapore Branch	35,483,769	0.83
9	Bank of Singapore Nominees Pte Ltd	27,272,669	0.64
10	DB Nominees (S) Pte Ltd	17,411,622	0.41
11	Phillip Securities Pte Ltd	16,368,178	0.38
12	Pei Hwa Foundation Limited	13,160,335	0.31
13	OCBC Nominees Singapore Private Limited	11,793,669	0.28
14	BNP Paribas Nominees Singapore Pte Ltd	10,979,320	0.26
15	OCBC Securities Private Ltd	10,820,447	0.25
16	Lee Pineapple Company Pte Ltd	10,000,000	0.23
17	DBS Vickers Securities (S) Pte Ltd	5,578,613	0.13
18	UOB Kay Hian Pte Ltd	5,140,013	0.12
19	ABN AMRO Nominees Singapore Pte Ltd	3,878,206	0.09
20	Heng Siew Eng	3,612,000	0.09
	Total	3,706,880,246	86.88

Note:

1 Percentage is calculated on 4,266,778,925 issued shares, excluding treasury shares.

Shareholding Statistics
(as at 9 March 2015)

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
Substantial Shareholders	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Temasek Holdings (Private) Limited	1,680,704,140	39.39	59,333,134[2]	1.39
BlackRock, Inc.	-	-	254,875,414[3]	5.97
The PNC Financial Services Group, Inc.	-	-	254,875,414[3]	5.97

SIZE OF HOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares excluding Treasury Shares	%[1]
1 - 99	286	0.51	3,766	0.00
100 - 1,000	8,086	14.34	7,698,148	0.18
1,001 - 10,000	38,157	67.67	171,937,009	4.03
10,001 - 1,000,000	9,816	17.41	343,884,486	8.06
1,000,001 and above	41	0.07	3,743,255,516	87.73
Total	**56,386**	**100.00**	**4,266,778,925**	**100.00**

Approximately 53.18%[1] of the issued shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

Notes:

1 Percentage is calculated on 4,266,778,925 issued shares, excluding treasury shares.

2 Temasek Holdings (Private) Limited is deemed to have an interest in 59,333,134 shares in which its associated companies have or are deemed to have an interest.

3 BlackRock, Inc. is deemed to have an interest in 254,875,414 shares held through its various subsidiaries. The PNC Financial Services Group, Inc. is deemed to have an interest in the same shares held by BlackRock, Inc. through its over 10% interest in BlackRock, Inc.

CapitaLand Limited

(Registration Number: 198900036N)
(Incorporated in the Republic of Singapore)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of CapitaLand Limited (the "Company") will be held at The Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617 on Thursday, 30 April 2015 at 10.00 a.m. ("AGM") to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2014 and the Auditors' Report thereon. (Ordinary Resolution 1)

2. To declare a first and final dividend of S$0.09 per share for the year ended 31 December 2014. (Ordinary Resolution 2)

3. To approve payment of Directors' fees by the Company to the non-executive Directors of S$2,472,590 for the year ended 31 December 2014 comprising: (Ordinary Resolution 3)

   (a) S$1,847,564.90 to be paid in cash (2013: S$1,714,366.80); and

   (b) S$625,025.10 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 (2013: S$556,000.20).

4. To re-appoint the following Directors, who are retiring under Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of the AGM until the next annual general meeting of the Company:

   (a) Mr Ng Kee Choe (Ordinary Resolution 4(a))
   (b) Mr John Powell Morschel (Ordinary Resolution 4(b))

5. To re-elect the following Directors, who are retiring by rotation pursuant to Article 95 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:

   (a) Ms Euleen Goh Yiu Kiang (Ordinary Resolution 5(a))
   (b) Tan Sri Amirsham Bin A Aziz (Ordinary Resolution 5(b))

6. To re-elect Mr Kee Teck Koon, a Director who is retiring pursuant to Article 101 of the Articles of Association of the Company and who, being eligible, offers himself for re-election. (Ordinary Resolution 6)

7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 7)

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following resolutions as Ordinary Resolutions:

8. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to: (Ordinary Resolution 8)

    (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

    (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into shares,

    at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

    (b) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

    provided that:

    (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

    (2) (subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) in the capital of the Company shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

    (i) any new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

    (ii) any subsequent bonus issue, consolidation or subdivision of shares;

    (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

SPECIAL BUSINESS (cont'd)

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next annual general meeting of the Company, or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

9. That authority be and is hereby given to the Directors of the Company to: (Ordinary Resolution 9)

(a) grant awards in accordance with the provisions of the CapitaLand Performance Share Plan 2010 (the "Performance Share Plan") and/or the CapitaLand Restricted Share Plan 2010 (the "Restricted Share Plan"); and

(b) allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted or to be granted 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 five per cent. (5%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

BY ORDER OF THE BOARD

MICHELLE KOH
Company Secretary

Singapore
6 April 2015

Notes:

I A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

II The Proxy Form must be lodged/deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 no later than 28 April 2015 at 10.00 a.m., being 48 hours before the time fixed for the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES:

1. Ordinary Resolution 3

   If approved, the aggregate amount of Directors' fees of S$2,472,590 will be paid as to S$1,847,564.90 in cash, and S$625,025.10 in the form of share awards under the CapitaLand Restricted Share Plan 2010 (the "Restricted Share Plan") with any residual balance to be paid in cash.

   The remuneration framework for the non-executive Directors remains unchanged from that for the year ended 31 December 2013 except for the fees payable to the Chairman who will receive an all-inclusive fee of S$750,000. There will be no separate board retainer fee, committee fee or attendance fee for the Chairman. In arriving at the proposed fee of S$750,000 for the Chairman, the Board (at the recommendation of the Executive Resource and Compensation Committee ("ERCC"), the Chairman abstaining from both the Board's and the ERCC's deliberations, respectively) took into account:

   (a) the proactive and significant leadership role played by the Chairman on the Board, and in providing clear oversight and guidance to Management;

   (b) the increased amount of time the Chairman spends on the Company's matters, including input and guidance on strategic issues and corporate governance as well as supporting Management in maintaining communications with stakeholders;

   (c) the familiarity which the Chairman has with Management, the top executives and their work and development; and

   (d) the directors' fee structure in other large listed companies in Singapore that have independent chairmen with comparable roles and responsibilities.

   Please refer to the Corporate Governance Report of the Company's Annual Report 2014 for additional information on the role of the Chairman.

   Directors' fees of the non-executive Directors will be paid as to about seventy per cent. (70%) in cash and about thirty per cent. (30%) in the form of share awards under the Restricted Share Plan, save in the case of Mr Peter Seah Lim Huat (who is retiring from the Board at the conclusion of the AGM), and Mrs Arfat Pannir Selvam and Prof Kenneth Stuart Courtis (who have retired from the Board on 25 April 2014) who will receive all of their Directors' fees in cash. The actual number of shares to be awarded will be based on the volume-weighted average price of a share of the Company on the SGX-ST over the 14 trading days from (and including) the ex-dividend date following the AGM. The actual number of shares to be awarded will be rounded down to the nearest share, and any residual balance settled in cash. The awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed although a share retention policy applies. The Directors' fees will only be paid upon approval by the shareholders at the AGM.

2. Ordinary Resolutions 4(a) and 4(b)

   Mr Ng Kee Choe will, upon re-appointment, continue to serve as Chairman of the Board, the ERCC and the Investment Committee respectively and a Member of the Finance and Budget Committee and the Nominating Committee respectively.

   Mr John Powell Morschel will, upon re-appointment, continue to serve as a Member of the Investment Committee and the Nominating Committee respectively.

   Mr Ng and Mr Morschel are considered as independent Directors. Please refer to the "Board of Directors" section of the Company's Annual Report 2014 for information on the current directorships in other listed companies and other principal commitments of Mr Ng and Mr Morschel, respectively.

EXPLANATORY NOTES: (cont'd)

3. Ordinary Resolutions 5(a) and 5(b)

   Ms Euleen Goh Yiu Kiang will, upon re-election, continue to serve as Chairman of the Audit Committee and a Member of the Risk Committee, respectively.

   Tan Sri Amirsham Bin A Aziz will, upon re-election, continue to serve as Chairman of the Risk Committee and a Member of the Audit Committee, respectively.

   Ms Goh and Tan Sri Amirsham are considered as independent Directors. Please refer to the "Board of Directors" section of the Company's Annual Report 2014 for information on the current directorships in other listed companies and other principal commitments of Ms Goh and Tan Sri Amirsham, respectively.

   Mr Peter Seah Lim Huat, an independent Director, will also retire by rotation pursuant to Article 95 of the Company's Articles of Association at the AGM. He has given notice to the Company that he is not seeking re-election at the AGM. His retirement from the Board will take effect upon the conclusion of the AGM. Mr Seah will, upon retirement, cease to be Deputy Chairman of the Board, Chairman of the Finance and Budget Committee and Nominating Committee respectively and a Member of the ERCC.

4. Ordinary Resolution 6

   Mr Kee Teck Koon will, upon re-election, continue to serve as a Member of the Risk Committee. Mr Kee is considered as an independent Director. Please refer to the "Board of Directors" section of the Company's Annual Report 2014 for information on the current directorships in other listed companies and other principal commitments of Mr Kee.

5. Ordinary Resolution 8

   Ordinary Resolution 8, if passed, will empower the Directors to issue shares in the Company and to make or grant instruments (such as securities, warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments from the date of the AGM until the date of the next annual general meeting of the Company unless such authority is earlier revoked or varied by the shareholders of the Company at a general meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 8 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 8 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. The sub-limit of ten per cent. (10%) for issues other than on a *pro rata* basis is below the twenty per cent. (20%) sub-limit permitted by the Listing Manual of the SGX-ST. The Directors believe that the lower sub-limit of ten per cent. (10%) would sufficiently address the Company's present need to maintain flexibility while taking into account shareholders' concerns against dilution.

6. Ordinary Resolution 9

   Ordinary Resolution 9, 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 five per cent. (5%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. The maximum level allowable, across the entire duration of the Performance Share Plan and the Restricted Share Plan, is eight per cent. (8%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time (the "Overall Limit"). The Directors believe that the lower level of five per cent. (5%) in Ordinary Resolution 9 is adequate for the Company's current needs. The approval of shareholders may be sought at any subsequent annual general meeting of the Company for another level, including a higher level up to the full extent of the Overall Limit, if then considered appropriate. The Directors also currently do not intend, in any given financial year, to grant awards under the Performance Share Plan and the Restricted Share Plan which, collectively, would comprise more than one per cent. (1%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time (the "Yearly Limit"). Should the Yearly Limit not be fully utilised in any given financial year, the unutilised balance will be carried forward and may be used by the Directors in subsequent years to make grants of awards under the Performance Share Plan and the Restricted Share Plan.

CapitaLand Limited

(Registration Number: 198900036N)
(Incorporated in the Republic of Singapore)

PROXY FORM
Annual General Meeting

IMPORTANT:
CPF Investors
1 For investors who have used their CPF monies to buy the Company's shares, the Annual Report 2014 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3 CPF investors who wish to attend the AGM as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 April 2015.

I/We, ______________________ (Name) ______________________ (NRIC/Passport/Company Regn. No.)

of ____ (Address)

being a member/members of CapitaLand Limited (the "Company") hereby appoint:

Name:	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			

and/or (delete as appropriate)

Name:	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			

or, failing whom, the Chairman of the annual general meeting of the Company ("AGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM to be held at The Star Theatre, Level 5, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617, on Thursday, 30 April 2015 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 AGM 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 AGM.

No.	**Resolutions relating to:**	**For ***	**Against ***
	ORDINARY BUSINESS		
1.	Adoption of the Directors' Report, Audited Financial Statements and the Auditors' Report for the year ended 31 December 2014		
2.	Declaration of a First and Final Dividend of S$0.09 per share		
3.	Approval of Directors' Fees of S$2,472,590		
4.	(a) Re-appointment of Mr Ng Kee Choe as Director		
	(b) Re-appointment of Mr John Powell Morschel as Director		
5.	(a) Re-election of Ms Euleen Goh Yiu Kiang as Director		
	(b) Re-election of Tan Sri Amirsham Bin A Aziz as Director		
6.	Re-election of Mr Kee Teck Koon as Director		
7.	Re-appointment of KPMG LLP as Auditors		
	SPECIAL BUSINESS		
8.	Authority for Directors to issue shares and to make or grant instruments convertible into shares		
9.	Authority for Directors to grant awards, and to allot and issue shares, pursuant to the CapitaLand Performance Share Plan 2010 and the CapitaLand Restricted Share Plan 2010		

* *If you wish to exercise all your votes "For" or "Against", please indicate with a "√" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ______________ day of ______________ 2015

Total Number of Shares Held

____

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

Glue and seal firmly

Glue and seal firmly

First fold (this flap for sealing)

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CapitaLand Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

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NOTES TO PROXY FORM:

1 A member entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2 Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3 Completion and return of this Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

4 A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited, he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register as well as shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, the Proxy Form will be deemed to relate to all the shares held by the member.

5 The Proxy Form must be lodged/deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, no later than 28 April 2015 at 10.00 a.m., being 48 hours before the time fixed for the AGM.

6 The Proxy Form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7 Where the Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged/deposited with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

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General

The Company shall be entitled to reject the Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject any Proxy Form lodged/deposited if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register at least 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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www.storhub.com.sg
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This Annual Report to Shareholders may contain forward-looking statements. Forward-looking statement is subject to inherent uncertainties and is based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-looking statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

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