Offering Circular dated 2 September 2013

CapitaLand Treasury Limited

(incorporated in the Republic of Singapore on 14 September 1996)
Company Registration Number 199606698M

S$5,000,000,000

Euro Medium Term Note Programme

Unconditionally and irrevocably guaranteed by

CapitaLand Limited

(incorporated in the Republic of Singapore on 5 January 1989)
Company Registration Number: 198900036N

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**"), CapitaLand Treasury Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**") guaranteed (the "**Guarantee**") by CapitaLand Limited ("**CapitaLand**" or the "**Guarantor**"). The aggregate nominal amount of Notes outstanding will not at any time exceed S$5,000,000,000 (or the equivalent in other currencies), subject to increase as described herein.

Where used in this Offering Circular unless otherwise stated, "Notes" includes perpetual notes ("**Perpetual Notes**") that may be issued from time to time under the Programme. Defined terms used in this Offering Circular shall have the meanings given to such terms in "Terms and Conditions of the Notes other than Perpetual Notes", "Terms and Conditions of the Perpetual Notes", "Form of Pricing Supplement for Notes other than Perpetual Notes", "Form of Pricing Supplement for Perpetual Notes" and "Summary of the Programme".

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Unlisted series of Notes may also be issued pursuant to the Programme and Notes may also be listed on stock exchanges other than SGX-ST. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST or on any other stock exchange. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and listing and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group (as defined herein) or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular.

Each Series (as defined in "Summary of the Programme – Summary of terms relating to Notes other than Perpetual Notes – Method of Issue" and "Summary of the Programme – Summary of terms relating to Perpetual Notes – Method of Issue") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and, together with the temporary Global Notes, the "**Global Notes**") and will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933 (the "**Securities Act**")). Interests in a temporary Global Note generally will be exchangeable for interests in a permanent Global Note, or if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of a Tranche (as defined in "Summary of the Programme – Summary of terms relating to Notes other than Perpetual Notes – Method of Issue" and "Summary of the Programme – Summary of terms relating to Perpetual Notes – Method of Issue") upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes as described under "Summary of Provisions Relating to the Notes while in Global Form".

Notes of each Series to be issued in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes and Registered Perpetual Notes (as defined in "Summary of the Programme – Summary of terms relating to Notes other than Perpetual Notes – Form of Notes" and "Summary of the Programme – Summary of terms relating to Perpetual Notes – Form of Notes") of one Series. Registered Notes and Registered Perpetual Notes which are sold in an "offshore transaction" within the meaning of Regulation S ("**Unrestricted Notes**"), will initially be represented by a permanent registered global certificate (each an "**Unrestricted Global Certificate**") without interest coupons, which may be deposited on the relevant issue date: (a) with, and registered in the name of, a common depositary on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), with The Central Depository (Pte) Limited ("**CDP**") or with a sub-custodian for the Hong Kong Monetary Authority (the "**HKMA**") as operator of the Central Moneymarkets Unit Service ("**CMU**") operated by the HKMA; and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg, CDP or CMU, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer (as defined in "Summary of the Programme – Dealers"). Registered Notes and Registered Perpetual Notes which are offered or sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Notes**") will initially be represented by a permanent registered global certificate (each a "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**"), without interest coupons, which may be deposited on the relevant issue date with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

Unless otherwise stated in a relevant Pricing Supplement, Tranches of Notes to be issued under the Programme will be unrated.

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. The Notes and the Guarantee may be offered and sold (i) in the United States only to QIBs as defined in Rule 144A or (ii) outside the United States and (in the case of Bearer Notes) to non-U.S. persons (as defined in the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**")). Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Any series of Notes may be subject to additional selling restrictions. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular see "Subscription and Sale" and "Transfer Restrictions".

Investing in Notes issued under the Programme involves certain risks. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

This Offering Circular is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC.

Arrangers and Dealers

DBS BANK LTD. **HSBC** **J.P. MORGAN** **MORGAN STANLEY**

OCBC BANK **STANDARD CHARTERED BANK** **UOB LTD**

The Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular. The Issuer and the Guarantor, having made all reasonable enquiries, confirm that (i) this Offering Circular contains all information with regard to the Issuer, the Guarantor and the Group and to the Notes and the Guarantee which is material in the context of the issue and offering of the Notes and the giving of the Guarantee, (ii) such information is true and accurate in all material respects, (iii) the opinions, expectations and intentions expressed in the Offering Circular have been carefully considered, are and will be based on all relevant considerations and facts known to the Issuer and the Guarantor existing at the date of its issue and are and will be fairly, reasonably and honestly held by the Issuer and/or the Guarantor, as the case may be, and (iv) there are no other facts the omission of which would make any such information or material expressions of opinion, expectation or intention misleading in any material respect.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference"). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

This Offering Circular has been prepared by the Issuer and the Guarantor for use in connection with the offer and sale of the Notes outside the United States in reliance on Regulation S and within the United States (i) to QIBs in reliance upon and as defined in Rule 144A or (ii) in transactions otherwise exempt from registration. The Issuer, the Guarantor, the Arrangers (as defined in "Summary of the Programme – Arrangers") and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Dealers or the Arrangers, the Trustee or any of the Agents (as defined in "Summary of the Programme"). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and/or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Guarantor or their respective subsidiaries and/or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Dealers and the Arrangers to inform themselves about and to observe any such restriction.

The Notes and the Guarantee have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities commission in the United States, or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or enclosed the merits of the offering of Notes or the accuracy or determined the adequacy of the Offering Circular. Any representation to the contrary is a criminal offense in the United States.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable federal or state securities laws pursuant to a registration statement or an exemption from registration. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of notes and distribution of this Offering Circular, see "Subscription and Sale" and "Transfer Restrictions".

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

The Notes may include Notes in bearer form that will be subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States to, or for the account or benefit of, U.S. persons (as defined in the Internal Revenue Code, as amended, and regulations thereunder).

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers, the Arrangers, the Trustee or the Agents accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arrangers, the Dealers, the Trustee or the Agents or on their behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. Each of the Arrangers, each Dealer, the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arrangers, the Dealers, the Trustee or the Agents that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Arrangers, the Trustee or the Agents undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arrangers, the Trustee or the Agents.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect

transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be discontinued at any time and must in any event be brought to an end after a limited time that is no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of allotment of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Singapore" are to the Republic of Singapore, to the "U.S." and "United States" are to the United States of America, to the "EU" are to the European Union, to "China" or "the PRC" are to the People's Republic of China excluding Hong Kong, Macau and Taiwan, to "S$" or "Singapore dollars" are to the lawful currency of Singapore, to "U.S. Dollars" or "U.S.$" are to the lawful currency of the United States, to "£" or "Sterling" are to pound sterling, to "C" or "Euro" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, to "RM" or "Malaysian ringgit" are to the lawful currency of Malaysia, to "JPY" or "Japanese Yen" are to the lawful currency of Japan, to "RMB" or "Renminbi" are to the lawful currency of the PRC, to "HK$" or "Hong Kong dollars" are to the lawful currency of Hong Kong, and to "Australian dollars" or "A$" are to the lawful currency of Australia.

All references to "Group" herein are to the Guarantor and its subsidiaries (as defined in the Companies Act, Chapter 50 of Singapore), except where such references are made in the context of the financial information, whereupon the references to "Group" shall mean the Guarantor and its subsidiaries. All references to "sqm" herein are to square metres and all references to "sf" are to square feet. All references to "Government" herein are references to the government of the Republic of Singapore.

Unless otherwise indicated, references in this Offering Circular to a "Condition" are to the conditions set out in "Terms and Conditions of the Notes other than Perpetual Notes" or "Terms and Conditions of the Perpetual Notes", as applicable.

Certain monetary amounts and percentages in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Guarantor, the Issuer, the Arrangers or the Dealers makes any representation as to the accuracy of that information.

This Offering Circular contains certain information regarding the Group's EBIT. EBIT is defined as Earnings before Interest and Taxation. EBIT is not a standard measure under Singapore Financial Reporting Standards ("SFRS"). EBIT is a widely used financial indicator of a company's ability to service and incur debt. EBIT should not be considered in isolation or construed as an alternative to cash flows, profit for the year/period or any other measure of financial performance or as an indicator of the Group's operating

performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBIT, investors should consider, among other things, the components of EBIT such as turnover and operating expenses and the amount by which EBIT exceeds capital expenditures and other charges. The Group has included EBIT because it believes it is a useful supplement to cash flow data as a measure of the Group's performance and its ability to generate cash flow from operations to cover debt service and taxes. EBIT presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Group's EBIT to EBIT presented by other companies because not all companies use the same definition.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements under "Risk Factors", "Description of the Group" and elsewhere in this Offering Circular constitute "forward-looking statements". The words including "believe", "expect", "plan", "anticipate", "schedule", "estimate" and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group's management for its future operations (including development plans and objectives relating to the Group's operations), are forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuer's, the Guarantor's or the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "Risk Factors" and elsewhere, important factors that could cause actual results to differ materially from the Issuer's or the Guarantor's expectations. All subsequent written and forward-looking statements attributable to the Issuer or the Guarantor or persons acting on behalf of the Issuer or the Guarantor are expressly qualified in their entirety by such cautionary statements.

FINANCIAL STATEMENTS

The Issuer and the Guarantor have prepared audited (in the case of the Guarantor, consolidated) financial statements as at and for the year ended 31 December 2012 and the Guarantor has prepared unaudited consolidated financial information as at and for the six months ended 30 June 2013.

The audited (in the case of the Guarantor, consolidated) financial statements as at and for the year ended 31 December 2012 of the Issuer and the Guarantor, including comparative financial information for the year ended 31 December 2011 and the unaudited consolidated financial information of the Guarantor as at and for the six months ended 30 June 2013 are included in this Offering Circular and are prepared in conformity with SFRS issued by the Accounting Standards Council. See "Index to Financial Statements" and "Summary Financial Information".

AVAILABLE INFORMATION

The Issuer and the Guarantor have agreed that, for so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer and the Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner or prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

SUPPLEMENTARY OFFERING CIRCULAR

The Issuer has given undertakings to the Arrangers that, if the Issuer has notified the Arrangers in writing that it intends to issue Notes under the Programme, the Issuer shall prepare an amendment or supplement to the Offering Circular or a replacement Offering Circular in the event of (i) a significant new factor, material mistake or inaccuracy relating to the information included in the Offering Circular which is capable of affecting the assessment of the Notes arising or being noted, (ii) a change in the condition of the Issuer, the Guarantor and/or the Group which is material in the context of the Programme or the issue of any Notes or (iii) the Offering Circular otherwise coming to contain an untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained therein not misleading or (iv) if it is necessary at any time to amend the Offering Circular to comply with, or reflect changes in, the laws or regulations of Singapore or any other relevant jurisdiction.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with (i) each relevant Pricing Supplement, (ii) the most recently published audited consolidated annual financial statements, and any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements, of the Guarantor from time to time, and (iii) all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Such documents shall be incorporated in and form part of this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the Trustee set out at the end of this Offering Circular.

TABLE OF CONTENTS

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in "Terms and Conditions of the Notes other than Perpetual Notes" or "Terms and Conditions of the Perpetual Notes", as applicable, or elsewhere in this Offering Circular have the same meanings in this summary.

Issuer	CapitaLand Treasury Limited.
Guarantor	CapitaLand Limited.
Description	Euro Medium Term Note Programme.
Size	Up to S$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement (as defined in "Subscription and Sale").
Arrangers	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and United Overseas Bank Limited.
Dealers	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and United Overseas Bank Limited. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee	The Bank of New York Mellon, London Branch.
Issuing and Paying Agent and Transfer Agent in respect of Notes other than CMU Notes, CDP Notes and DTC Notes	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent in respect of CMU Notes	The Bank of New York Mellon, Hong Kong Branch.

Registrar and Transfer Agent in respect of CDP Notes	The Bank of New York Mellon, Singapore Branch.
Issuing and Paying Agent, Registrar and Transfer Agent in respect of DTC Notes	The Bank of New York Mellon.
Registrar in respect of Registered Notes other than CMU Notes, CDP Notes and DTC Notes	The Bank of New York Mellon (Luxembourg) S.A.
CMU Lodging and Paying Agent	The Bank of New York Mellon, Hong Kong Branch.
CDP Paying Agent	The Bank of New York Mellon, Singapore Branch.
Listing and Admission to Trading	Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST will be approved. If the application to the SGX-ST to list a particular Series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S$200,000 (or its equivalent in other currencies). Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.
Selling Restrictions	The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, Singapore, Hong Kong, Japan. See "Subscription and Sale". For sales outside the United States, Regulation S, Category 1 selling restrictions shall apply. For sales within the United States or to U.S. persons, Rule 144A shall apply. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that Notes are issued

	in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.
Transfer Restrictions	There are restrictions on the transfer of Notes sold pursuant to Regulation S under the Securities Act prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Notes sold pursuant to Rule 144A. See "Transfer Restrictions".

Summary of terms relating to Notes other than Perpetual Notes

Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant pricing supplement (the "**Pricing Supplement**").
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes.	The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") only. Registered Notes will not be exchangeable for Bearer Notes and vice versa. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) Definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Summary of the Programme – Selling Restrictions" above), otherwise such Tranche will be represented by a

	permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".
Clearing Systems	Euroclear, Clearstream, Luxembourg, CDP or the CMU for Bearer Notes, Euroclear, Clearstream, Luxembourg, CDP, the CMU, or DTC for Registered Notes, and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Guarantor, the Issuing and Paying Agent, the Trustee and the relevant Dealer.
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, with CDP, with a custodian for DTC or with a sub-custodian for the HKMA as operator of the CMU. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies.	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealers. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).
Renminbi Fallback	If by reason of inconvertibility, non-transferability or illiquidity, neither the Issuer nor the Guarantor is able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi, the Issuer or the Guarantor may settle such payment in U.S. Dollars (in the case of Notes cleared through the CMU Service) or in Singapore dollars (in the case of Notes cleared through the CDP System).
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer, the Guarantor and the relevant Dealer.

Specified Denomination	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA (as defined in "Subscription and Sale – Selling Restrictions – United Kingdom") will have a minimum denomination of £100,000 (or its equivalent in other currencies) and, in the case of Notes to be sold in the United States to QIBs, the minimum specified denomination shall be U.S.$100,000.
Fixed Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) (in the case of Notes denominated in Singapore dollars) by reference to SIBOR or Swap Rate (or such other benchmark as may be specified in the relevant Pricing Supplement), as adjusted for any applicable margin; (ii) (in the case of Notes denominated in a currency other than in Singapore dollars) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (iii) (in the case of Notes denominated in a currency other than in Singapore dollars) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.
Partly Paid Notes	Interest will accrue on the paid-up nominal amount of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes) and otherwise as specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.
Index Linked Notes	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption.	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Instalments.	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes.	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer, the Guarantor, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and the supplementary Offering Circular.
Optional Redemption	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or at the option of the holders, and if so the terms applicable to such redemption.

Status of Notes and the Guarantee	The Notes and the Guarantee will constitute unsubordinated and (subject to the negative pledge discussed below) unsecured obligations of the Issuer and the Guarantor, respectively all as described in "Terms and Conditions of the Notes other than Perpetual Notes – Guarantee and Status".
Negative Pledge	The Notes will contain a negative pledge provision as described in "Terms and Conditions of the Notes other than Perpetual Notes – Negative Pledge".
Cross Default	The Notes will contain a cross default provision as described in "Terms and Conditions of the Notes other than Perpetual Notes – Events of Default".
Ratings	The Programme has not been rated and Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.
Redemption for Taxation Reasons	Notes will be redeemable (in whole but not in part) at the option of the Issuer prior to maturity for tax reasons as described in "Terms and Conditions of the Notes other than Perpetual Notes – Redemption for Taxation Reasons".
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor will not be obliged to pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Singapore Dollar Notes for, or on account of, any such taxes or duties, and, in relation to Non-Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor shall (subject to certain customary exceptions as described in "Terms and Conditions of the Notes other than Perpetual Notes – Taxation") pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes or, as the case may be, the Guarantee, had no such withholding or deduction been required.

Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Perpetual Notes will be governed by, and shall be construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement.

Summary of terms relating to Perpetual Notes

Method of Issue	The Perpetual Notes will be issued on a syndicated or non-syndicated basis. The Perpetual Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first distribution), the Perpetual Notes of each Series being intended to be interchangeable with all other Perpetual Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first distribution and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement.
Issue Price	Perpetual Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly Paid Perpetual Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes.	The Perpetual Notes may be issued in bearer form ("**Bearer Perpetual Notes**") or in registered form ("**Registered Perpetual Notes**") only. Registered Notes will not be exchangeable for Bearer Notes and vice versa. Each Tranche of Bearer Perpetual Notes will be represented on issue by a temporary Global Note if (i) Definitive Perpetual Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Perpetual Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Summary of the Programme – Selling Restrictions" above), otherwise such Tranche will be represented by a permanent Global Note. Registered Perpetual Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Perpetual Notes of one Series. Certificates representing Registered Perpetual Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".

Clearing Systems	Euroclear, Clearstream, Luxembourg, CDP or the CMU for Bearer Notes, Euroclear, Clearstream, Luxembourg, CDP, the CMU or DTC for Registered Notes, and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Guarantor, the Issuing and Paying Agent, the Trustee and the relevant Dealer.
Initial Delivery of Perpetual Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Perpetual Notes or the Global Certificate representing Registered Perpetual Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, with CDP, with a custodian for DTC or with a sub-custodian for the HKMA as operator of the CMU. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies.	Subject to compliance with all relevant laws, regulations and directives, Perpetual Notes may be issued in Singapore dollars or in any other currency agreed between the Issuer, the Guarantor and the relevant Dealers. Payments in respect of Perpetual Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).
Renminbi Fallback	If by reason of inconvertibility, non-transferability or illiquidity, neither the Issuer nor the Guarantor is able to satisfy payments of principal or distributions in respect of the Notes when due in Renminbi, the Issuer or the Guarantor may settle such payment in U.S. Dollars (in the case of Notes cleared through the CMU Service) or in Singapore dollars (in the case of Notes cleared through the CDP System).
No Fixed Maturity.	The Perpetual Notes have no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the provisions of the Conditions of such Perpetual Notes.
Specified Denomination.	Definitive Perpetual Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds

	are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies) and, in the case of Notes to be sold in the United States to QIBs, the minimum specified denomination shall be U.S.$100,000.
Fixed Rate Perpetual Notes.	In respect of Fixed Rate Perpetual Notes, Distributions will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Perpetual Notes . . .	In respect of Floating Rate Perpetual Notes, Distributions will be determined separately for each Series as follows: (i) (in the case of Perpetual Notes denominated in Singapore dollars) by reference to SIBOR or Swap Rate (or such other benchmark as may be specified in the relevant Pricing Supplement), as adjusted for any applicable margin; (ii) (in the case of Perpetual Notes denominated in a currency other than in Singapore dollars) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (iii) (in the case of Perpetual Notes denominated in a currency other than in Singapore dollars) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Distribution periods will be specified in the relevant Pricing Supplement.
Distributions in respect of Perpetual Notes	In respect of Perpetual Notes, unless otherwise specified in the relevant Pricing Supplement, subject to Condition 4(h) of the Terms and Conditions of the Perpetual Notes, Distributions will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Optional Deferral of Distributions in respect of Perpetual Notes	The relevant Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving a Deferral Election Notice to the Noteholders and the Trustee and the

Issuing and Paying Agent not more than 15 nor less than five Business Days prior to a scheduled Distribution Payment Date unless, during the Look Back Period prior to such scheduled Distribution Payment Date, a Compulsory Distribution Payment Event has occurred.

A Compulsory Distribution Payment Event is when the Issuer has at its discretion repurchased, redeemed or otherwise acquired any of its Junior Obligations or, in relation to Subordinated Perpetual Securities only, the Parity Obligations (other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) in relation to Subordinated Perpetual Securities only, as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations), and/or as otherwise specified in the applicable Pricing Supplement.

The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4(h) of the Terms and Conditions of the Perpetual Notes.

Cumulative Deferral of Distributions in respect of Perpetual Notes . . . .

The relevant Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(h) of the Terms and Conditions of the Perpetual Notes) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(h) of the Terms and Conditions of the Perpetual Notes except that Condition 4(h)(iv) of the Terms and Conditions of the Perpetual Notes shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Non-Cumulative Deferral of Distributions; Optional Distribution . . . .

If Non-Cumulative Deferral is set out in the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(h) will be non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay such distribution or any other distributions that have not been paid in whole or in part.

If Optional Distribution is set out in the relevant Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of distribution which is unpaid in whole or in part (an "**Optional Distribution**") at any time by giving notice of such election to the Noteholders and the Trustee and the Issuing and Paying Agent not more than 15 and not less than five Business Days (or such other notice period as may be specified in the relevant Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice). Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Noteholders or Couponholders of all outstanding Perpetual Notes and the Coupons related to them on a pro-rata basis.

Restrictions in the case of a Deferral in respect of Perpetual Notes . . . .

The relevant Pricing Supplement will specify whether, if on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 4(h) of the Terms and Conditions of the Perpetual Notes, the Issuer and the Guarantor shall not and shall procure that none of their respective Subsidiaries (other than any Subsidiary which is listed on any stock exchange) will:

(a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on (1) any of its Junior Obligations (in the case of Senior Perpetual Notes), or (2) any of its Junior Obligations or Parity Obligations (in the case of Subordinated Perpetual Notes) (except (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) in relation to the Parity Obligations on a pro-rata basis); or

(b) redeem, reduce, cancel, buy-back or acquire for any consideration (1) any of its Junior Obligations (in the case of Senior Perpetual Notes), or (2) any of its Junior Obligations or Parity Obligations (in the case of Subordinated Perpetual Notes) (other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations), in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations, (iii) (if Cumulative Deferral is set out in the relevant Pricing Supplement) if the Issuer or the Guarantor (as the case may be), has satisfied in full all outstanding Arrears of Distribution, (iv) (if Non-Cumulative Deferral is set out in the relevant Pricing Supplement) if all outstanding Perpetual Notes have been redeemed in full, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full, or (v) if the Issuer or Guarantor (as the case may be) is permitted to do so by an Extraordinary Resolution of the Noteholders or as otherwise specified in the relevant Pricing Supplement.

Other Perpetual Notes . . . . Terms applicable to reverse dual currency Perpetual Notes, optional dual currency Perpetual Notes, Partly Paid Perpetual Notes and any other type of Perpetual Note that the Issuer, the Guarantor, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and the supplementary Offering Circular.

Redemption for Accounting Reasons . . . . The relevant Pricing Supplement will specify whether the Perpetual Notes will be subject to redemption for accounting reasons. If so specified thereon, the Perpetual Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount as specified in the applicable Pricing Supplement if, as a result of any changes or amendments to SFRS or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Guarantor as amended from time to time, the Perpetual Notes must not or must no longer be recorded as "equity" of the Guarantor pursuant to such Relevant Accounting Standards.

Redemption for Tax Deductibility Reasons . . . . The Perpetual Notes may, subject to certain conditions being satisfied, be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders, the Trustee, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Registrar, at their Early Redemption Amount as specified in the applicable Pricing Supplement if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the date of issue of the first Tranche of Notes;

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the date of issue of the first Tranche of Notes; or

(iii) any applicable official interpretation or pronouncement which is issued or announced on or after the date of issue of the first Tranche of Notes that provides for a position with respect to such laws or regulations that differs from the position advised by the Issuer's tax advisers on or before the date of issue of the first Tranche of Notes,

payments by the Issuer would no longer be, or within 90 days of the date of the opinion referred to in Condition 5(d) of the Terms and Conditions of the Perpetual Notes would not be, fully deductible by the Issuer for Singapore income tax purposes. For the purposes of determining whether any payments by the Issuer would be fully deductible by the Issuer for Singapore income tax purposes under this paragraph, interest restriction under the total asset method shall be disregarded. See "Terms and Conditions of the Perpetual Notes – Redemption and Purchase – Redemption for tax deductibility reasons".

Redemption at the Option of the Issuer . . . . The relevant Pricing Supplement will specify whether the Perpetual Notes will be subject to redemption at the option of the Issuer. If so specified thereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Pricing Supplement) redeem the Perpetual Notes, in whole or in part, on any Optional Redemption Date (as specified in the relevant Pricing Supplement). Any such redemption of Perpetual Notes shall be at their Early Redemption Amount as specified in the applicable Pricing Supplement.

Redemption in the case of Minimal Outstanding Amount . . . . The relevant Pricing Supplement will specify whether the Perpetual Notes will be subject to redemption in the case of a minimal outstanding amount. If so specified thereon, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be

	specified in the relevant Pricing Supplement) redeem the Perpetual Notes, in whole, but not in part, at their Early Redemption Amount if, immediately before giving such notice, the aggregate principal amount of the Perpetual Notes outstanding is less than 10 per cent. of the aggregate principal amount of that Series of Perpetual Notes originally issued.
Status of Senior Perpetual Notes and Senior Guarantee	The Senior Perpetual Notes will constitute unsecured obligations of the Issuer, and the payment obligations of the Issuer under the Senior Perpetual Notes and of the Guarantor under the Senior Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, as described in "Terms and Conditions of the Perpetual Notes – Guarantee and Status of Senior Perpetual Notes and Senior Guarantee and status of, and Ranking of Claims in relation to, Subordinated Perpetual Notes and Subordinated Guarantee".
Senior Guarantee	The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Senior Perpetual Notes and the Trust Deed. The obligations of the Guarantor in that respect are contained in the Trust Deed.
Status of Subordinated Perpetual Notes	The Subordinated Perpetual Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer as described in "Terms and Conditions of the Perpetual Notes – Guarantee and Status of Senior Perpetual Notes and Senior Guarantee and status of, and Ranking of Claims in relation to, Subordinated Perpetual Notes and Subordinated Guarantee".
Subordination of Subordinated Perpetual Notes	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Noteholders to payment of principal of and Distribution on the Subordinated Perpetual Notes and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least pari passu with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Notes and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement or in a supplement to the Offering Circular.
Set-off in relation to Subordinated Perpetual Notes . . .	Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the

	Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Notes, and each Noteholder shall, by virtue of his holding of any Subordinated Perpetual Notes, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Notes are discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
Status of Subordinated Guarantee	The payment obligations of the Guarantor under the Subordinated Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with any Parity Obligations (as defined in the relevant Pricing Supplement) of the Guarantor.
Subordinated Guarantee	The Guarantor has irrevocably guaranteed on a subordinated basis the due payment of all sums expressed to be payable by the Issuer under the Subordinated Perpetual Notes and the Trust Deed. The obligations of the Guarantor in that respect are contained in the Trust Deed.
Limited right to institute proceedings in relation to Perpetual Notes	The right to institute winding-up proceedings is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 4(h) of the Terms and Conditions of the Perpetual Notes.
Proceedings for winding-up in relation to Perpetual Notes	If (i) an order is made or an effective resolution is passed for the winding-up of the Issuer or the Guarantor or (ii) the Issuer shall not make payment in respect of the Perpetual Notes or the Guarantor shall not make payment in respect of the Guarantee, as the case may be, for a period of 10 days or more after the date on which such payment is due, the Issuer (or, as the case may be, the Guarantor) shall be deemed to be in default under the Trust Deed and the Perpetual Notes (in the case of the Issuer) and the Guarantee (in the case of the Guarantor) and the Trustee may, subject to the provisions of Condition 9(d) of the Terms and Conditions of the Perpetual Notes, institute proceedings for the winding-up of the Issuer (or, as the case may be, the

	Guarantor) and/or prove in the winding-up of the Issuer (or, as the case may be, the Guarantor) and/or claim in the liquidation of the Issuer and/or the Guarantor for such payment.
Redemption for Taxation Reasons	Perpetual Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons as described in "Terms and Conditions of the Perpetual Notes – Redemption for Taxation Reasons".
Withholding Tax	All payments of principal and distributions (including any Arrears of Distribution and any Additional Distribution Amount) by or on behalf of the Issuer or the Guarantor in respect of the Perpetual Notes or under the Guarantee will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having the power to tax, unless the withholding or deduction is required by law. In that event, in relation to Singapore Dollar Perpetual Notes, the Issuer or, as the case may be, the Guarantor will not be obliged to pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Singapore Dollar Perpetual Notes for, or on account of, any such taxes or duties, and, in relation to Non-Singapore Dollar Perpetual Notes, the Issuer or, as the case may be, the Guarantor will (subject to certain customary exceptions as described in "Terms and Conditions of the Perpetual Notes – Taxation") pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Perpetual Notes or, as the case may be, the Guarantee, had no such withholding or deduction been required.
Governing Law	The Perpetual Notes and any non-contractual obligations arising out of or in connection with the Perpetual Notes will be governed by, and shall be construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement, except that, in relation to Subordinated Perpetual Notes only, the subordination provisions set out in Condition 3(b) of the Terms and Conditions of the Perpetual Notes applicable to the Issuer shall be governed by and construed in accordance with Singapore law.

SUMMARY FINANCIAL INFORMATION

The following tables present selected consolidated financial information of the Group as of and for the periods indicated.

The selected consolidated financial information as at 31 December 2012 and 31 December 2011 and for the years then ended has been derived from the Group's consolidated financial statements as at and for the year ended 31 December 2012 that have been audited by KPMG LLP, and should be read in conjunction with such published audited consolidated financial statements and the notes thereto.

*The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("**SFRS**"). The Group has adopted certain new or revised SFRS and interpretations of SFRS that are applicable to the Group. Consequently, the financial statements for the relevant years have been prepared in accordance with the relevant transitional provisions in these new or revised SFRS and their related interpretations and where applicable, the comparative financial statements have been restated to conform with the presentations of the respective periods concerned.*

For the audited consolidated financial statements of the Group for the year ended 31 December 2012, the Group has applied the amendments to SFRS 12 Income Tax – Deferred Tax: Recovery of Underlying Assets, which became effective as of 1 January 2012. The amendments apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under SFRS 40 Investment Property. The adoption of amendments to SFRS 12 do not have any significant impact on the financial position or performance of the Group.

The selected consolidated interim financial information as at 30 June 2013 and for the six months ended 30 June 2013 and 30 June 2012 has been derived from the Group's unaudited half year financial statements announcement, and should be read in conjunction with such published unaudited consolidated financial statements and the notes thereto.

The unaudited consolidated interim financial information as at and for the six months ended 30 June 2013 and 30 June 2012 included in this Offering Circular has not been audited or reviewed by the Group's auditors. Potential investors should exercise caution when using such data to evaluate the Group's financial position and results of operations. Please see "Risks Relating to the Group – Certain financial information of the Group has not been audited or reviewed by the Group's auditors".

For the unaudited financial statements for the six months ended 30 June 2013, the Group has applied the same accounting policies and methods of computation in the financial statements as that of the audited financial statements for the year ended 31 December 2012, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2013. SFRS which became effective for the Group's financial period beginning 1 January 2013 are SFRS 19 Employee Benefits (revised 2011) and SFRS 113 Fair Value Measurement. The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to SFRS.

For a more detailed description of the effects of adoption of the applicable new or revised SFRS and their related interpretations in the specific periods concerned, see Note 2(a) in the audited consolidated financial statements for the year ended 31 December 2012 and paragraph 4 of the unaudited consolidated interim financial information as at and for the six months ended 30 June 2013.

Consolidated Income Statement Data

	Year ended 31 December	
	Audited	
	2011	2012
	(in S$'000)	
Revenue	3,019,569	3,301,363
Cost of sales	(1,946,684)	(2,073,289)
Gross profit	1,072,885	1,228,074
Other operating income	713,704	586,949
Administrative expenses	(530,187)	(580,251)
Other operating expenses	(46,459)	(52,122)
Profit from operations	1,209,943	1,182,650
Finance costs	(472,785)	(498,953)
Share of results (net of tax) of:		
associates	651,194	699,197
joint ventures	225,452	135,584
	876,646	834,781
Profit before taxation	1,613,804	1,518,478
Taxation	(190,884)	(201,907)
Profit for the year	1,422,920	1,316,571
Attributable to:		
Owners of CapitaLand	1,057,311	930,347
Non-controlling interests	365,609	386,224
Profits for the year	1,422,920	1,316,571

	Six months ended 30 June	
	unaudited	
	2012	2013
	(in S$'000)	
Revenue	1,503,578	1,844,579
Cost of sales	(916,976)	(1,251,031)
Gross profit	586,602	593,548
Other operating income	312,323	243,821
Administrative expenses	(250,549)	(258,874)
Other operating expenses	(21,447)	(45,221)
Profit from operations	626,929	533,274
Finance costs	(251,290)	(230,161)
Share of results (net of tax) of:		
associate	355,606	430,691
joint ventures	68,793	112,581
	424,399	543,272
Profit before taxation	800,038	846,385
Taxation	(78,021)	(64,495)
Profit for the period	722,017	781,890
Attributable to:		
Owners of CapitaLand	519,138	571,314
Non-controlling interests	202,879	210,576
Profits for the period	722,017	781,890

Consolidated Balance Sheet Data

	As at		
	31 December 2011	31 December 2012	30 June 2013
	Audited	Audited	Unaudited
		(in S$'000)	
Non-current assets	20,185,470	23,093,700	23,058,787
Current assets	15,133,971	14,693,909	15,565,664
Less:			
Current liabilities	3,571,802	3,574,259	4,710,233
Net current assets	11,562,169	11,119,650	10,855,431
Less:			
Non-current liabilities	12,508,168	14,769,566	13,904,911
Net assets	19,239,471	19,443,784	20,009,307
Representing:			
Share capital	6,298,355	6,300,011	6,302,126
Revenue reserves	8,328,115	8,910,445	9,171,444
Other reserves	275,067	(130,048)	215,879
Equity attributable to Owners of CapitaLand	14,901,537	15,080,408	15,689,449
Non-controlling interests	4,337,934	4,363,376	4,319,858
Total equity	19,239,471	19,443,784	20,009,307

Financial Ratios

	As at or for the year ended 31 December	
	Audited	
	2011	2012
Earnings per share (cents)	24.8	21.9
Dividend		
– Ordinary dividend (cents per share)	6.0	7.0
– Special dividend (cents per share)	2.0	–
Net dividend cover (times)[1]	3.1	3.1
Net tangible assets per share (S$)[2]	3.40	3.44
Debt equity ratio (net of cash)[3]	0.31	0.45
Interest cover (times)[4]	5.72	5.50

	As at or for the six months ended 30 June	
	Unaudited	
	2012	2013
Earnings per share (cents)	12.2	13.4
Dividend		
– Ordinary dividend (cents per share)	–	–
– Special dividend (cents per share)	–	–
Net dividend cover (times)[1]	–	–
Net tangible assets per share (S$)[2]	3.43	3.58
Debt equity ratio (net of cash)[3]	0.41	0.45
Interest cover (times)[4]	5.54	6.48

Notes:

(1) Net dividend cover is calculated by dividing the net profit attributable to equity holders of CapitaLand by the dividend payable.

(2) Net tangible assets per share is calculated by dividing total net tangible assets by the total number of issued and paid-up shares, where "net tangible assets" means net assets less intangible assets.

(3) Debt equity ratio is calculated by dividing net borrowings by total equity, where "net borrowings" means the aggregate amount of interest-bearing borrowings, net of cash and cash equivalents, and "total equity" means the aggregate of the issued and paid-up share capital, reserves and non-controlling interests.

(4) Interest cover is calculated using the following formula:

$$\frac{\text{Profit before tax + finance costs – interest income + depreciation + amortisation}}{\text{Finance costs – interest income}}$$

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including the risks and uncertainties described below. The business, financial condition or results of operations of the Group could be materially adversely affected by any of these risks. The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks Relating to the Group

The Group's business activities are concentrated in the Asia Pacific region, mainly in Singapore and China

Most of the Group's business activities are concentrated in the Asia Pacific region, mainly in Singapore and China. As at 30 June 2013, approximately 34 per cent. and 40 per cent. of the Group's total assets (excluding treasury cash) were located in Singapore and China, respectively. The Group expects to continue to expand its business in China, including undertaking strategic acquisitions of land banks and other assets in China. As a result, its revenue, operations, results and future growth depend, to a large extent, on the continued growth of the markets in the Asia Pacific region.

Given this concentration of the Group's business activities, the specific laws, regulations, practices, economic and financial conditions, property market and other aspects of each of these countries and their corresponding micro-regions could have significant impact on the business, financial condition and results of operations of the Group. In addition, future excesses in property supply over demand as a result of economic uncertainty, slower growth and increased interest rates (which reduces the ability of the Group's customers to finance real estate purchases and increase the Group's own costs of financing) may lead to further volatility in property prices and yields which could in turn adversely affect the Group's results of operations and future growth.

The Group's businesses are also subject to risks of investing in other jurisdictions

As part of the Group's growth strategy, investments will be made in the Asia Pacific region (and in Europe for the serviced residence business), which may expose the Group to the risk of political, economic, regulatory and social uncertainties and unrests specific to those countries. Currently, a certain portion of the Group's projects and assets are located in countries which suffered and continue to suffer from political instability and a certain proportion of the Group's revenue is derived from its operations in these countries.

The Group's investments may also be adversely affected by a number of conditions in the local real estate market in these countries, including oversupply, performance of other competing properties or reduced demand for these properties. Any changes in the political environment and the policies by the governments of these countries, which include, *inter alia*, restrictions on foreign currency conversion or remittance of earnings, the requirement for approval by government authorities, changes in law, regulations and interpretation thereof and changes in taxation could adversely affect the Group's future results and investments, which will also be exposed to currency fluctuations when they are converted to Singapore dollars. As such, unfavourable events in such foreign countries will have an adverse impact on the Group's financial conditions and results of operations.

The Group is exposed to fluctuations and business risks in the residential, commercial and retail real estate markets and serviced residence business

The real estate development industry in the core markets of Singapore and China, and in the other countries in which the Group operates, is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing, interest rates, consumer confidence and demand for developed products, whether residential, office or retail. The process of development of a project begins, and financial and other resources are committed, long before a real estate project comes to market, which could occur at a time when the real estate market is in a down-cycle and this could adversely affect the Group's businesses, financial condition and results of operations.

The capital value of the investments in the Group's real estate financial services business may fall as well as rise, and the income derived from them may fluctuate. A fall in such capital values may result in a reduction in the level of income which the Group may derive and/or a reduction in the aggregate value of such investments which may require additional contributions from investors including the Group.

In addition to the risks associated with property development in general, the Group's retail mall, commercial property and serviced residence businesses are subject to the operating risks inherent in these industries. For the retail mall and commercial property businesses, these risks include uneven lease expiries, the ability of tenants to make timely rental payments, the renewal of leases at less favourable terms, non-renewals, non-replacements or early termination of leases and the possible loss of an anchor tenant, in the event that such anchor tenant files for bankruptcy or insolvency or experiences a downturn in its business, and its drawing power which could result in the loss in the demand for and value of the property. For the serviced residence business, these risks include cyclical downturns arising from changes in general and economic conditions, decreases in the demand for accommodation, oversupply of serviced residences and competition in countries in which the Group's serviced residences are located. The relocation or closure of amenities and transportation infrastructure near any of these properties may also adversely affect the business and value of such properties.

Furthermore, the Group's retail mall, commercial property and serviced residence businesses are subject to the recurring need for renovation, refurbishment and improvement to the properties and increases in operating costs arising from inflation, government regulations, changes in general economic conditions such as fluctuations in financial and property markets and changes in investment returns which may alter the level of demand for such product, and other factors, including acts of terrorism, riots and civil commotions, natural disasters, extreme weather conditions, labour shortages and work stoppages or disputes. Accordingly, any changes in the aforementioned factors could have an adverse effect on the Group's businesses, financial condition and results of operations.

The Group is subject to competition in its key markets

The Group faces increasing competition in the real estate and serviced residences markets and the real estate financial services business. Additionally, the Group expects the real estate market in its core markets of Singapore and China to remain highly competitive, particularly with respect to the prices realised from sales of residential properties and rental rates for commercial and retail properties. Such increased competition may result in an increase in the supply of developed properties that could cause a decrease in property sale prices and competition for the rental market. As a result, while the Group has selectively accumulated a land bank that it plans to develop for residential properties, there can be no assurance that the Group will be able to sell the developed properties at a profitable price. To the extent that the Group is unable to develop its land bank and sell the developed properties at acceptable prices, the Group's results of operations and financial condition would be adversely affected.

The Group's serviced residence business also competes for guests in the highly competitive lodging industry in the countries in which they operate. Competitive factors in the serviced residences industry include among others, room rates, quality of accommodation, name recognition, service quality and the convenience of the location of the serviced residences units. The Group's real estate financial services business competes in a highly competitive industry for such services. There can be no assurance that competitive conditions will not increase as a result of changes in economic conditions, changes in local market conditions and the availability of the supply of serviced residences space in the relevant markets.

The Group's overseas real estate and serviced residence businesses compete with both domestic and international companies with respect to factors such as location, facilities and supporting infrastructure, services and pricing. Intensified competition between real estate developers may result in increased costs for land acquisition, over-supply of properties and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect the Group's property development business. Some of these companies have significant financial resources, marketing and other capabilities. Domestic companies in the overseas markets have extensive knowledge of the local real estate and serviced residences markets and longer operational track records in their respective domestic markets. International companies are able to capitalise on their overseas experience and greater financial resources to compete in the markets in which the Group has an overseas presence. As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to the Group's activities will not have a material adverse effect on the business, financial condition and results of operations.

The Group is subject to government regulation and government policies in the countries where it operates

The real estate industry in the countries in which the Group operates may be impacted significantly by government regulations, which may result in a reduction in the Group's income or an increase in the Group's costs (including, for example, changes in tenancy laws that limit the Group's recovery of certain property operating expenses or changes in environmental laws that require significant capital expenditure). In addition, regulatory approvals may be required for, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing. Such approvals may stipulate, among other things, maximum periods for the commencement of development of the land. Some of these countries may also restrict the level, percentage and manner of foreign ownership and investment in real estate or may impose additional costs on foreigners seeking to invest in or own properties. Such regulations are at times ambiguous and their interpretations and applications can be inconsistent and can affect demand for the Group's properties and may be potentially detrimental to the Group. If the Group fails to obtain the relevant approvals or comply with applicable laws and regulations, it may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties and its businesses, among other things, any or all of which could have a material and adverse impact on its business, financial condition, results of operations and prospects.

Governments of the countries in which the Group operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary. These governments may introduce new policies or amend or abolish existing policies at any time and these policies may have a retroactive effect. These changes may have a material and adverse impact on the overall performance of the property markets in which the Group operates and thus affect the Group's businesses, financial condition, results of operations and prospects. For example, in February 2010, the Government imposed stamp duty on sellers of residential properties which were sold within one year of acquisition to discourage short-term speculative activity. This was extended to residential properties sold within three years of acquisition in August 2010 and further extended to residential properties sold within four years of acquisition in January 2011. In addition, the Government introduced in December 2011 an additional buyer's stamp duty, over and above the existing buyer's stamp duty, to be paid by certain groups of people who acquire residential properties in Singapore. The Monetary Authority of Singapore ("**MAS**") also imposes constraints on the types and quantum of loans for residential properties. In October 2012, the Government imposed a cap of 35 years on loan tenures of all residential property loans and the loan-to-value ratio for such loans was reduced to between 40 per cent. and 60 per cent., thereby impacting the availability of financing for purchases of residential properties. On 12 January 2013, the Government further increased the additional buyer's stamp duty by between five per cent. to seven per cent., while the loan-to-value limits were further decreased. On 28 June 2013, the MAS introduced the Total Debt Servicing Ratio cap of 60 per cent. for property loans granted by financial institutions to individuals. The Government is likely to continue to monitor the Singapore property market. In China, the PRC government has imposed a series of measures to cool the residential market since 2010. Recent cooling measures include raising down-payment requirements and interest rates for mortgages for second home purchases in certain cities and the introduction of capital gain tax. Should any new or more stringent measures be introduced to the property markets in which the Group operates the Group's businesses, financial condition, results of operations and prospects may be adversely affected.

In addition, in the countries in which the Group operates, in order to develop and complete a property development, a property developer must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Problems may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals, especially as new laws, regulations or policies may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals. If the Group fails to obtain relevant approvals or fulfil the conditions of those approvals for its property developments, these developments may not proceed as scheduled, and the Group's businesses, financial condition and results of operations may be adversely affected.

The legal system in China is less developed than in certain other countries and laws in China may not be interpreted and enforced in a consistent manner

The Chinese legal system is a civil law system. Unlike the common law system, the civil law system is based on written statutes in which decided legal cases have little value as precedents. Since 1979, the PRC government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practices in China and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of new changes to existing laws and the abrogation of local regulations by national laws could have a negative impact on the business and prospects of the Group. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may involve significant uncertainty. The interpretation of Chinese laws may be subject to policy changes, which reflect domestic political changes. As the Chinese legal system develops, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have an adverse effect on the Group's businesses and financial condition.

The Group operates in a capital intensive industry that relies on the availability of sizeable amounts of debt

As at 30 June 2013, the Group had total consolidated gross debt of approximately S$14.2 billion, including approximately S$1.7 billion which is due to be repaid, refinanced or rolled over in the next 12 months. While the Group has unutilised facilities and funds available for use, there can be no assurance that it will be able to refinance indebtedness as and when such indebtedness becomes due on commercially reasonable terms or at all. The Group's level of indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. As part of the Group's borrowing activities, it is exposed to the risk of potential and actual breaches of financial covenants in the Group's indebtedness which may also result in accelerated demands of payment or calls for events of default by lenders. This may restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in any future general economic downturn or instability in the financial capital markets.

A further downgrade in the U.S. government's sovereign credit rating, the sovereign rating of EU member states or volatility in global financial markets could restrict the Group's access to funding and result in risks to the Group and general economic conditions that the Group is not able to predict

On 5 August 2011, Standard & Poor's Ratings Services ("**Standard & Poor's**") downgraded its sovereign credit rating of the U.S. government from AAA to AA+. On 8 June 2012, Standard & Poor's affirmed the U.S. government's existing sovereign rating, but stated that the rating outlook was negative; the rating outlook was subsequently upgraded to stable on 10 June 2013. On 13 July 2011, Moody's Investors Services Limited ("**Moody's**") placed the U.S. government under review for a possible credit downgrade, and on 2 August 2011, Moody's confirmed the U.S. government's existing sovereign rating, but stated that the rating outlook is negative. On 7 November 2012, Moody's stated it would reserve judgment on whether it would cut the U.S. government's sovereign rating until after the 2013 budget process is completed. On 10 July 2012, Fitch affirmed its existing sovereign rating of AAA of the U.S. government, but maintained a negative outlook. Should a further downgrade of the sovereign credit ratings of the U.S. government occur, it is foreseeable that the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any such downgrade. Instruments of this nature are widely used as collateral by financial institutions to meet their day-to-day cash flows in the short-term debt market. A downgrade of the sovereign credit rating of the U.S. government and perceived creditworthiness of U.S. government-related obligations could impact the Group's ability to obtain funding, as well as affect the pricing of that funding when it is available. A further downgrade may also adversely affect the market value of such instruments. The Group cannot predict if, when or how any changes to the credit ratings or perceived creditworthiness of these obligations will affect economic conditions.

In 2010 and 2011, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these EU nations to continue to service their sovereign debt obligations. These conditions impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many EU nations. Certain EU nations continue to experience varying degrees of financial stress and uncertainty over the outcome of the EU governments' financial support programmes and worries about sovereign finances persist. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. There can be no assurance that the market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not spread, nor can there be any assurance that future financial support packages will be made available or, even if provided, will be sufficient to stabilise the affected countries and markets in Europe or elsewhere.

In addition, dislocation, market shifts, increased volatility or instability in the global credit and financial markets have in recent years, affected the availability of credit and at times led to an increase in the cost of financing. The Group may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding in the future. There can be no assurance that the Group will be able to raise finance at historical cost levels. The Group may also be subject to solvency risks of its banks and of its counterparties in its financial investments and arrangements. These may have a material adverse impact on the operations of the Group.

Ongoing uncertainty about the financial stability of global markets could have a significant adverse effect on the Group's businesses, financial condition and results of operation

Buyers of residential properties have become more cautious in view of the current global financial and economic environment. Rentals of commercial properties may also face downward pressure. Consumer sentiment and spending may remain cautious in the near-term. The on-going financial turmoil has and may continue to have a negative impact on the global serviced residences industry in general. Capital and credit markets may remain volatile and the availability of funds may remain limited. These factors could have myriad effects on the Group's businesses, each of which may adversely affect the Group's performance attributable to some or all of the Group's residential, commercial, retail mall and serviced residence businesses. These effects include, but are not limited to, decreases in valuations of the Group's properties resulting from deteriorating operating cash flow and widening capitalisation rates; decreases in the sales of, or prices for, residential development projects; delays in the sales launches of the Group's residential projects in order to take advantage of future periods of more robust real estate demand; decreases in rental or occupancy rates for commercial, retail mall or serviced residences properties; insolvency of contractors resulting in construction delays; insolvency of tenants in commercial and retail properties; inability of customers to obtain credit to finance purchases of properties and/or customer insolvencies; decreases in the amount of extended stay business travel or corporate housing needs resulting in higher vacancy levels and lower rental income from the Group's serviced residences; or failure of financial and other institutions, negatively impacting treasury operations including but not limited to counterparty risks relating to deposits, money market investments and treasury contracts, including those related to foreign exchange or interest rate transactions.

To the extent uncertainty regarding the financial stability of global markets continues to negatively impact consumer confidence and consumer credit factors, the Group's businesses, financial condition and results of operations could be significantly and adversely affected.

The Group is subject to economic and political conditions in the countries where it operates

The economies in the countries where the Group develops projects or owns properties differ from the economies of most developed countries in many respects, including:

- growth rate;
- political and economic stability;
- level of development;
- allocation of resources;
- control of foreign exchange; and
- level of government involvement.

While many of these economies have experienced significant growth, such growth has often been limited to certain geographic regions and certain sectors of the economy. The governments of such countries have implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall economy but may also have a negative effect on the Group. For example, the Group's financial condition and results of operations may be adversely affected by government control over capital investments, changes in tax regulations that are applicable to it or regulatory changes affecting the real estate industry. The Group's investments may also be adversely affected by a number of local real estate market conditions in these countries, such as oversupply, the performance of other competing properties or reduced demand for these properties.

Several of the economies in which the Group operates have been transforming from planned economies to more market-oriented economies. Although in recent years, the governments of such countries have implemented measures emphasising the utilisation of market forces for economic reform, the reduction in state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets are still owned by these governments. Accordingly, changes introduced by these governments during such transitions may adversely affect the Group's results of operations.

The Group may also be adversely affected by exchange controls, changes in taxation law, changes in foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities of the countries in which the Group operates.

The Group is subject to interest rate fluctuations

As at 30 June 2013, the Group had total consolidated gross debt of approximately S$14.2 billion. Approximately 72 per cent. of the debt bears fixed interest rates and the balance bears floating interest rates. Consequently, the interest cost to the Group for the floating interest rate debt will be subject to fluctuations in interest rates. In addition, the Group is subject to market disruption clauses contained in its loan agreements with banks. Such clauses state that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially more for interbank deposits than the displayed screen rates, they may pass on the higher costs of funds to the Group despite the margins agreed. Furthermore, although the Group has entered into some hedging transactions to partially mitigate the risk of interest rate fluctuations, the Group's hedging policy may not adequately cover the Group's exposure to interest rate fluctuations. As a result, its operations or financial condition could potentially be adversely affected by interest rate fluctuations. Fluctuations in interest rates may also affect mortgage rates, which may in turn impact the Group's residential and commercial businesses.

The Group is subject to exchange rate fluctuations

The Group's revenue, costs, debts and capital expenditure are mainly denominated in Singapore dollars, Renminbi, Australian dollars and Malaysian ringgit. To a lesser extent, the Group is exposed to currency open positions in Hong Kong dollars, U.S. Dollars, Indian rupees, Vietnamese dong, Thai baht, United Arab Emirates dirham, Japanese yen, Euros, and Sterling. Consequently, portions of the Group's costs and income flows and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. Although the Group engages in certain hedging activities to mitigate currency exchange rate exposure specifically by maximising natural hedging, the impact of future exchange rate fluctuations on the Group's cost of sales and margins cannot be accurately predicted. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls.

The reporting currency for the Group is Singapore dollars. However, dividend payments from a number of subsidiaries are made in currencies other than Singapore dollars. Exchange rate gains or losses may arise when the assets and liabilities or dividend payments from subsidiaries paid in foreign currencies are translated or exchanged into Singapore dollars for financial reporting or repatriation purposes.

The Group's financial statements are subject to changes in accounting standards

The Singapore Accounting Standards Council may issue new and revised accounting standards and pronouncements from time to time. Applying such standards and pronouncements to the Group's financial statements may result in a change in the presentation and measurement of financial information, and thus may result in a change in the way the Group records its revenues, expenses, assets, liabilities or reserves. The Group cannot predict the impact of these changes in accounting standards and pronouncements. These changes could adversely affect the Group's reported financial results and positions and adversely affect the comparability of the Group's future financial statements with those relating to prior periods.

The Group is subject to currency risks relating to its operations in China

A material portion of the Group's revenue is denominated in Renminbi and must be converted to make payments in freely convertible currencies. Under China's foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade, may be made in foreign currencies without prior approval, subject to certain procedural requirements. However, strict foreign exchange controls continue to remain in place for capital account transactions, including repayment of loan principal and return of direct capital investments and investments in negotiable securities. In the past, there have been shortages of U.S. Dollars or other foreign currencies available for conversion of Renminbi in China, and it is possible such shortages could recur, or that restrictions on conversion could be re-imposed.

The Group is exposed to terrorist attacks, other acts of violence or war and adverse political developments

The terrorist attacks over the last few years, including in the U.S., Bali, Jakarta, Mumbai and Libya (Benghazi) amongst others together with the military response by the U.S. and its allies in Afghanistan and continuing military activities in Iraq, have resulted in substantial and continuing economic volatility and social unrest globally. The political unrest in certain regions in Asia and terrorist attacks such as those in the south of Thailand, and other areas of Asia, have exacerbated this volatility. Further developments stemming from these events or other similar events could cause further volatility. The direct and indirect consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its results of business operations.

An increase in the frequency, severity or geographic reach of terrorist acts could destabilise the jurisdictions in which the Group operates. Any additional significant military or other response by the U.S. and/or its allies or other nations or any further terrorist activities could also materially and adversely affect international financial markets and the economies in which the Group operates and may adversely affect the Group's results of operations and prospects.

The Group could incur significant costs related to environmental matters

The Group may be subject to various laws and regulations in the countries where it operates relating to protection of the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances on a property. For example, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. The Group has not provided for such potential obligations in its consolidated financial statements.

Environmental laws may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous substances and other regulated materials. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports with respect to any of the Group's properties may not reveal: (i) all environmental liabilities; (ii) whether owners or operators of the properties had created any material environmental condition not known to the Group; or (iii) whether a material environmental condition exists in any one or more of the properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability. The Group may be subject to liabilities or penalties relating to environmental matters which could adversely affect the Group's businesses, financial condition and results of operations.

The Group is subject to the validity of title to the properties in its portfolio

Due to the immature nature of property law in some of the countries where the Group operates and the lack of a uniform title system in such countries, there is potential for disputes over the validity of title purchased from previous owners. In addition, the Group may be engaged in protracted negotiations each time it acquires land or property, which may result in purchases of property (and thereby the obtaining of title) being delayed or not proceeding in the event that negotiations are unsuccessful. In addition, title insurance is not generally available in the countries the Group has invested in, and, as such, the Group's property interests are not covered by title insurance. In the event the Group is not able to obtain, or there is a delay in obtaining, clear title to the land and properties it has an interest in, or the Group's claim to title is the subject of a dispute, the Group's businesses, financial condition, results of operations and prospects may be adversely affected.

Due diligence on the Group's properties may not identify all material defects, breaches of laws and regulations and other deficiencies

There can be no assurance that the Group's reviews, surveys or inspections (or the relevant review, survey or inspection reports on which it has relied) would have revealed all defects or deficiencies affecting properties that it has interests in or manage, including to the title thereof. In particular, there can be no assurance as to the absence of latent or undiscovered defects or deficiencies or inaccuracies or deficiencies in such reviews, surveys or inspection reports, any of which may have a material adverse impact on the Group's businesses, financial condition, results of operations and prospects.

The Group's land and/or real property may be subject to compulsory acquisition

Land and real property comprise a significant part of the Group's development business. Under Singapore law, the Government has the power to acquire any land in Singapore for any public purpose, if the acquisition is for public benefit or utility or in the public interest or for any residential, commercial or industrial purposes. Accordingly, if the market value of the land (or part thereof) to be compulsorily acquired is greater than the compensation paid to the Group in respect of the acquired land, the Group's businesses, financial condition and results of operations could be adversely affected.

In addition, real property and/or land owned by the Group which is located outside of Singapore may be compulsorily acquired by the respective governments of the countries in which they are located for public use or for public interest. The owner of such real property that has been compulsorily acquired may be compensated in accordance with the laws of the respective jurisdictions. In the event that any of the Group's land and/or real property located outside of Singapore is compulsorily acquired, the compensation paid to the Group in respect of the acquired land and/or real property could be less than its market value which could also adversely affect the Group's financial condition and results of operations.

The Group's future financial results are subject to risk of impairment charges on goodwill

The Group had intangible assets of S$457.0 million as at 30 June 2013, which relate mainly to the goodwill arising from the acquisition of shares in Ascott from its minority shareholders in 2008 through a privatisation exercise.

Under SFRS, impairment reviews of goodwill are required annually or more frequently if there is any indication that the goodwill might be impaired. Goodwill acquired in a business combination is allocated to cash generating units and these are tested by comparing the carrying amount of the cash generating units with its net selling price or value in use which is the present value of estimated future cash flows expected to arise from the long-term continuing use of an asset and from its disposal at the end of its useful life.

There is no assurance that the Group will not incur impairment charges in the future. Any impairment charge on goodwill (which is a non-cash charge) required under SFRS may adversely affect the Group's financial results for future financial periods.

Certain financial information of the Group has not been audited or reviewed by the Group's auditors

The unaudited consolidated interim financial information of the Group for the six months ended 30 June 2013 and 2012, presented and/or included in this Offering Circular has been extracted from the second quarter results announcement of the Group for the financial period ended 30 June 2013, which was prepared in accordance with Appendix 7.2 of the SGX-ST Listing Manual.

The unaudited consolidated interim financial information for the six months ended 30 June 2013 and 2012 presented and/or included in this Offering Circular has not been audited or reviewed by the Group's auditors. Potential investors must exercise caution when using such data to evaluate the Group's financial position and results of operations.

The Group may be involved in legal and other proceedings from time to time

The Group may be involved from time to time in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the development, operation, purchase and sale of its properties and corresponding tenants. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that result in financial losses and delay in the construction or completion of its projects.

The Group's future success is partly subject to the successful implementation of its strategy

The Group anticipates that future growth will come partly from the expansion of its operations in its core markets of Singapore and China, and in the growth of its businesses in the retail and serviced residences sector. The Group's overseas projects are located in both developing and developed countries and the Group's businesses are subject to various risks beyond the Group's control, such as instability of foreign economies and governments and changes in laws and policies in overseas countries affecting trade and investment. The events arising from such risks could potentially affect the Group's overseas business in the future. Please refer to the risk factor entitled "*The Group is subject to economic and political conditions in the countries where it operates*" for more details. The Group's ability to further expand its international operations successfully depends on its ability to successfully identify suitable opportunities for investment or acquisition and reach agreement with potential overseas partners on satisfactory commercial and technical terms. There can be no assurance that such opportunities or agreements can be established or that any of the Group's proposed acquisitions or agreements will be completed on the commercial terms contemplated.

In addition, the Group's strategy to recycle capital may not be successful. The Group may not be able to divest selected assets or may not be able to achieve satisfactory prices for divested assets.

Some or all of the Group's existing and planned projects may not be completed

The Group's success and financial performance will depend on the ability of the Group to identify, develop, market and sell its developments in a timely and cost effective manner. The Group's development activities are subject to the risk of changes in regulations, delays in obtaining required approvals, availability of raw materials, increases in construction costs, natural disasters, any reliance on third party contractors as well as the risk of decreased market demand during the development of a project. As a result of these and other factors described herein, no assurance can be given as to whether or when existing and planned projects will be successfully completed. Although the Group plans to apply many of the same development and marketing strategies that it has employed in the past, new projects may pose unforeseen challenges and demands on the Group's managerial and financial resources. Non-completion of such developments, or any of the Group's other developments, may have a material and adverse effect on the Group's businesses, financial condition and results of operations.

The Group is exposed to general risks associated with the ownership and management of real estate

Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits the ability of the Group to manage its portfolio in response to changes in economic, real estate market or other conditions. Rising capitalisation rates and/or real estate investment trust ("**REIT**") yields may result in increasing difficulty in divestment of properties. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to this illiquidity or to restrictions arising from the various debt obligations of the Group, including the Notes.

Property investment is subject to risks incidental to the ownership and management of residential and commercial properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the Group's financial statements, increased operating costs, the need to renovate, repair and re-let space periodically and to pay the associated costs, wars, terrorist attacks, riots, civil commotions, natural disasters and other events beyond the Group's control. The Group's activities may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to government appropriation, condemnation and redevelopment. Any of these events could materially and adversely affect the Group's businesses, financial condition and results of operations.

The Group has a holding company structure

Most of CapitaLand's assets are shareholdings in its subsidiaries and associated companies (both listed and unlisted, including in the form of REITs), which in turn hold the retail, residential and commercial real estate and serviced residences portfolio of the Group. CapitaLand's ability to continue to satisfy its payment obligations, including obligations under the Notes, is therefore subject to the up-streaming of dividends, distributions and other payments received from its subsidiaries and associated companies (including REITs). Both the timing and ability of certain subsidiaries and associated companies (including REITs) to pay dividends and distributions are limited by applicable laws and may be limited by conditions contained in certain of their agreements. In the event that CapitaLand's subsidiaries and associated companies (including REITs) do not pay any dividends or distributions or do so irregularly, the Group's performance may be adversely affected. The Group's subsidiaries and associated companies (including REITs) may have difficulty in accessing the financial markets and as a result seek further capital funding or financial support from the Group and this may materially and adversely affect the Group's financial condition and results of operations. Additionally, the holding company structure may restrict CapitaLand's ability to freely deploy funds across the Group preventing CapitaLand from effectively optimising capital management sources and needs across the Group.

The Group is subject to risks inherent in joint venture structures and/or funds

The Group has, and expects in the future to have, interests in joint venture entities and/or funds in connection with its property development and investment plans, including integrated developments. Disagreements may occur between the Group, its joint venture partners and/or third party fund investors, as the case may be, regarding the business and operations of the joint ventures and/or funds which may not be resolved amicably. In addition, the Group's joint venture partners and/or third party fund investors may: (i) have economic or business interests or goals that are inconsistent with that of the Group; (ii) take actions contrary to the Group's instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Joint venture partners are not restricted from competing with the Group on other projects. In China, property investment and development may often involve the participation of local and foreign partners, and there may be additional risks or problems associated with joint ventures and associates in China. For instance, guarantees given by Chinese parties in relation to joint ventures in China may be difficult to enforce as their validity may depend on the financial and legal qualifications of the guarantors and the appropriate approvals having been obtained. Although the Group does not believe that it has experienced any significant problems with respect to its partners to date, should such problems occur in the future they could have a material adverse effect on the businesses and prospects of the Group.

Additionally, the Group's joint venture partners or third party fund investors (i) may not be able to fulfil their respective contractual obligations with the Group (for example they may default in making payments during future capital calls or capital raising exercises); or (ii) may experience a decline in their creditworthiness. The occurrence of any of these events may materially and adversely affect the performance of the Group's joint ventures and/or funds, and/or may result in the Group making additional funding or capital contributions to the Group's joint ventures, which in turn may materially and adversely affect the Group's financial condition and results of operations.

The Group enters into interested person transactions

The Group has on-going contractual arrangements with interested persons. Such transactions are entered into on normal commercial terms and in accordance with the laws and regulations of the regulatory authorities in the jurisdiction to which the parties to such transactions are subject. Transactions with interested persons may give rise to conflicts of interest, which could lead to transactions being entered into and decisions made which are based on factors other than commercial factors.

The Group's performance is subject to its ability to attract and retain employees

Future performance of the Group depends largely on the Group's ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams. The loss of key employees may have a material adverse effect on the Group's businesses, financial condition and results of operations.

The Group may suffer uninsured losses or losses in excess of insured limits

The Group maintains insurance policies where practicable covering both its assets and employees in line with general business practices in the real estate and serviced residences industries, with policy specifications and insured limits which the Group believes are adequate. Risks insured against include fire, business interruption, lightning, flooding, theft, vandalism and public liability. The Group currently maintains insurance for acts of terrorism for certain of its properties. Where practicable, the Group also maintains certain property damage, business interruption and general liability insurance in the various countries in which it operates. There are, however, certain types of losses (such as from wars, acts of terrorism or acts of God) that generally are not insured because they are either uninsurable or not economically insurable in certain jurisdictions. Should an uninsured loss or a loss in excess of insured limits occur or failure of insurers to fulfil their obligation for the sum insured, the Group could be required to pay compensation and/or lose capital invested in the property, as well as anticipated future revenue from that property. The Group would also remain liable for any debt that is with recourse to the Group and may remain liable for any mortgage indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect the business, financial condition and results of operations of the Group. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms or at commercially reasonable rates.

The Group's property developments are subject to risks inherent to development including construction risks

The construction and development phase of new property developments usually takes between three to seven years to complete, depending on the size and complexity of the development. The time taken to complete a project and the costs of development may be adversely affected by various factors, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interferences, floods and unforeseen cost increases. Safety regulations of some countries in which the Group's construction sites are located may not be applied as stringently as in developed countries. This could result in accidents and fatalities which could have an adverse impact on the Group's reputation and result in fines and litigation.

Difficulties in obtaining any requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the costs, or delay the construction or opening of, new developments. The occurrence of any of the above events may result in delays in the completion of the Group's property developments or cost overruns, resulting in increased costs and lower returns on investments than originally expected and adversely affect the Group's businesses, financial condition and results of operations.

The Group faces risks in relation to changes in commodity prices due to the use of large quantities of building materials, including raw iron, steel, sand, granite and concrete, in its property development operations. As a property developer, in general, the Group prefers to enter into fixed or guaranteed maximum price construction contracts with independent construction companies, each of which affects a significant part of its overall success of its development project. These contracts typically cover both the supply of the building materials and the construction of the facility during the construction period. In accordance with industry practice, the Group or its contractors may amend existing construction contracts, including fixed or maximum price terms, to take into account significant price movements of construction materials. Therefore, should the price of building materials increase significantly after the Group enters into a fixed or guaranteed maximum price construction contract, or should its existing contractors fail to perform under their contracts, the Group may be required to pay more to its existing or prospective contractors, which could materially and adversely affect the Group's businesses, financial condition and results of operations.

The Group may experience schedule delays or budget overruns in completing the Group's property development projects

Property development projects typically require substantial capital outlay during the construction period and may take months or years before positive cash flows can be generated by pre-sales or sales or rental of completed property developments, if at all. The time and costs required in completing a property development project may be subject to substantial increases due to many factors, including shortages of materials, equipment, technical skills and labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite licences, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevention of, the completion of a property development project and result in costs substantially exceeding those originally budgeted for. Furthermore, any failure to complete a property development project according to its original specifications or schedule may give rise to potential liabilities and, as a result, the Group's return on investments may be lower than originally expected or adversely affected.

In addition, any decreases in property prices or adverse developments in the property market after the acquisition of a parcel of land and prior to the pre-sales or sales of completed property developments on such land could also have an adverse impact on the Group's businesses, financial condition and results of operations.

The Group is subject to risks in relation to its pre-sold properties

In the event the Group pre-sells any properties prior to completion of construction, it may be liable for potential losses that purchasers may suffer if there is a failure or delay in the delivery of such pre-sold properties. Failure to complete a property development on time may be attributed to factors such as the time taken and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents and changes in government priorities and policies. If the delay in delivery extends beyond the contractually specified period, purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and compensation for late delivery. There is no assurance that the Group will not experience significant delays in completion or delivery.

Furthermore, there is a risk that in the current economic climate, purchasers of such pre-sold properties may not be able to obtain credit to finance their purchases and/or might become insolvent. This would result in such purchasers delaying or being unable to meet their payment obligations in respect of such pre-sold properties which could adversely affect the Group's financial condition and results of operations.

The Group relies on third party contractors and consultants to provide various services

The Group engages third party contractors and consultants to provide various services in connection with its residential and commercial developments, including design, engineering, construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and lifts, and gardening and landscaping works as well as legal and financial advice. The Group is exposed to the risk that a contractor or consultant may require additional capital in excess of the price originally tendered to complete a project and may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to the Group. There can also be no assurance that the services rendered by such third party contractors and consultants will always be satisfactory or meet the Group's targeted quality standards. All of these factors could adversely affect the Group's businesses, financial condition and results of operations.

The Group's guarantees may be called upon and put or call options may be exercised which may require funds to be disbursed

During the course of the Group's business, it may be required to provide guarantees including in the form of put and call options and corporate and bank guarantees to third parties in respect of its obligations. If a put or call option is exercised or a guarantee is called upon, this may require funds to be disbursed. Such disbursement of funds may also require the Group to source additional financing and/or refinance existing debt obligations. There can be no assurance that additional financing to satisfy the Group's guarantees will be obtained on terms favourable to the Group.

The Group could be adversely affected by SARS, avian influenza, H1N1 and other infectious diseases

In 2003, Hong Kong, Taiwan, China, Singapore, Malaysia and other places experienced an outbreak of Severe Acute Respiratory Syndrome ("**SARS**"), which adversely affected the Southeast Asian economies. In late 2003 and June 2004, outbreaks of avian influenza occurred in several countries in Asia. In 2005 and 2006, outbreaks were reported in other parts of the world including Europe, the Middle East and Africa. Several cases of bird-to-human transmission of avian influenza were reported. The World Health Organisation ("**WHO**") and other agencies continue to issue warnings of a potential avian influenza pandemic if there are sustained human-to-human transmissions. In June 2007, the WHO reported new cases of human infection of avian influenza in each of China and Indonesia. In early 2009, outbreaks of H1N1 influenza (commonly referred to as "swine flu") occurred in Mexico. In April, the first cases were detected in Asia, and in June 2009, the WHO raised its global pandemic alert to Phase 6. In August 2010, the WHO announced that the H1N1 virus was no longer in Phase 6 (pandemic) alert. In 2013, a new outbreak of H1N1 flu was reported in Venezuela. Other diseases such as H7N9 flu have been reported in China, while the Middle East Respiratory Syndrome, caused by a coronavirus from the family of the SARS virus, has been linked to Middle Eastern countries. The outbreak of an infectious disease such as avian influenza, SARS, H1N1, H7N9 or the Middle East Respiratory Syndrome in Singapore or elsewhere could have a negative impact on the region's economy and thereby adversely impact the Group's business, financial condition and results of operations. There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

Risks relating to the Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to the Offering Circular or any Pricing Supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Modification and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may agree, without the consent of Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or the CMU and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders.

Singapore taxation risk

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2013 and pursuant to the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by the MAS on 28 June 2013, during the period from 1 January 2014 to 31 December 2018, are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") subject to the fulfilment of certain conditions more particularly described in the section "Taxation – Singapore Taxation".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

FATCA Withholding

Whilst the Notes are in global form and held within the Clearing Systems, in all but the most remote circumstances, it is not expected that FATCA (as defined in "Taxation – FATCA Withholding") will affect the amount of any payment received by the Clearing Systems (see "Taxation – FATCA Withholding"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary for the Clearing Systems (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the Clearing Systems and custodians or intermediaries. Please see "Taxation – FATCA Withholding" for more information on this legislation.

EU Directive on the taxation of savings income

EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

A change in the law which governs the Notes may adversely affect Noteholders

The conditions of the Notes are governed by either English or Singapore law, as specified in the applicable Pricing Supplement. No assurance can be given as to the impact of any possible judicial decision or change to English or Singapore law, as the case may be, or administrative practice after the date of issue of the relevant Tranche of Notes.

The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability

The Guarantee given by the Guarantor provides holders of Notes with a direct claim against the Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of the Guarantee would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*action pauliana*), voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the Issuer and, if payment had already been made under the Guarantee, the court could require that the recipient return the payment to the Guarantor.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, CDP, or a sub-custodian for the HKMA as operator of the CMU (each of Euroclear, Clearstream, Luxembourg, CDP and the CMU, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes or Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer, failing which the Guarantor, will discharge its payment obligations under the Notes by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders, or in the case of the CMU, to the persons for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU rules and procedures as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other notification by the CMU.

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates (as the case may be).

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer or the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that Definitive Notes and Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note or Certificate in respect of such holding (should Definitive Notes or Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If Definitive Notes or Certificates are issued, holders should be aware that Definitive Notes or Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and the holders will have no rights against the relevant Issuer (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

The Issuer is a special purpose company with no business activities of its own and will be dependent on funds from the Group to make payments under the Notes

The Issuer will on-lend the entire proceeds from the issue of the Notes to the Guarantor and/or other members of the Group. The Issuer does not and will not have any assets other than such loan receivables and its ability to make payments under the Notes will depend on its receipt of timely payments under such loan agreement or other financing arrangements with the Guarantor and/or other members of the Group.

The Issuer may be unable to redeem the Notes

On certain dates, including the occurrence of any early redemption event specified in the relevant Pricing Supplement or otherwise and at maturity of the Notes, the Issuer may, and at maturity, will, be required to redeem all of the Notes. If such an event were to occur, the Issuer may not have sufficient cash on hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Group.

The Trustee may request that the Noteholders provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including the giving of notice to the Issuer and the Guarantor pursuant to Condition 10 of the Terms and Conditions of the Notes other than Perpetual Notes), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security, and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or secured, and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security, and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed constituting the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Risks relating to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed

In the case of Non-Singapore Dollar Notes, unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes have features which are different from single currency issues

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected; and

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate ("**LIBOR**"). The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa may have lower market values than other Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Investors may lose part or all of their investment in any Index-Linked Notes issued

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Risks relating to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application has been made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The Programme has not been rated and any credit ratings assigned to the Notes may not reflect all risks

The Programme has not been rated and Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, one or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks related to the Perpetual Notes

Perpetual Notes may be issued for which investors have no right to require redemption

The Issuer may issue Perpetual Notes under the Programme. The Perpetual Notes are perpetual and have no fixed final maturity date. Noteholders have no right to require the Issuer to redeem Perpetual Notes at any time, and an investor who acquires Perpetual Notes may only dispose of such Perpetual Notes by sale. Noteholders who wish to sell their Perpetual Notes may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Notes should be aware that they may be required to bear the financial risks of an investment in Perpetual Notes for an indefinite period of time.

If specified in the relevant Pricing Supplement, Noteholders may not receive Distribution payments if the Issuer elects to defer Distribution payments

If Distribution Deferral is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any scheduled Distribution on the Perpetual Notes for any period of time. The Issuer and the Guarantor may be subject to certain restrictions in relation to the payment of dividends on its Junior Obligations and the redemption and repurchase of its Junior Obligations until any Arrears of Distribution and any Additional Distribution Amounts are satisfied. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the

Terms and Conditions of the Perpetual Notes subject to compliance with the foregoing restrictions. Although Distributions may be cumulative (should Cumulative Deferral be set out in the relevant Pricing Supplement), the Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any Distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral.

If specified in the relevant Pricing Supplement, the Perpetual Notes may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Terms and Conditions of the Perpetual Notes provide that the Perpetual Notes may, if a Call Option is specified in the relevant Pricing Supplement, be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount together with any and all outstanding Arrears of Distribution, Additional Distribution Amounts and Distribution accrued to the date fixed for redemption.

In addition, the Issuer also has the right to redeem the Perpetual Notes at their principal amount together with any and all outstanding Arrears of Distribution, Additional Distribution Amounts and Distribution accrued to the date fixed for redemption upon the occurrence of:

(i) if Redemption for Minimal Outstanding Amount is specified in the relevant Pricing Supplement, if the aggregate principal amount of the Perpetual Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued;

(ii) any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Notes such that the Issuer has or would become obliged to pay additional amounts in respect of the Perpetual Notes and such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it; or

(iii) if Redemption for Accounting Reasons is specified in the relevant Pricing Supplement, any change or amendment to the Relevant Accounting Standards (as defined in the Terms and Conditions of the Perpetual Notes) such that the Perpetual Notes must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standards.

The date on which the Issuer elects to redeem the Perpetual Notes may not accord with the preference of individual Noteholders. This may be disadvantageous to Noteholders in light of market conditions or the individual circumstances of a Noteholder of Perpetual Notes. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Notes.

Investors will not be entitled to recover missed distributions on Perpetual Notes if the distributions on a Tranche of Perpetual Notes are not cumulative

Distributions on Perpetual Notes will not be cumulative if Distribution Deferral and Non-Cumulative Deferral are specified in the relevant Pricing Supplement. If, and to the extent the Issuer does not declare, all or any portion of a distribution for payment on the Perpetual Notes or if the Issuer is prohibited by the terms of the Perpetual Notes from paying all or any portion of a distribution, investors will not receive that distribution or portion of a distribution not paid and will have no claim to that distribution or portion, whether or not the Issuer has funds to pay that distribution or portion thereof or subsequently pays distributions under the Perpetual Notes.

A change in the law governing the subordination provisions of the Perpetual Notes may adversely affect Noteholders

The provisions of the Terms and Conditions of the Perpetual Notes that relate to subordination are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of issue of the relevant Perpetual Notes.

The Trustee may refuse to act as trustee of certain Perpetual Notes based on the law governing the subordination provisions of the Perpetual Notes

In case the provisions of the Terms and Conditions of the Perpetual Notes that relate to subordination are governed by a law other than English law or Singapore law, the Trustee has the right to refuse to act as trustee of the relevant Perpetual Notes. In such cases, another trustee may act as the trustee of the relevant Perpetual Notes, and no assurance can be given in relation to the appointment of such other trustee.

There are limited remedies for default under the Perpetual Notes

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution pursuant to the Terms and Conditions of the Perpetual Notes. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. The only remedy against the Issuer available to any Noteholder of Perpetual Notes for recovery of amounts in respect of the Perpetual Notes following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Notes will be proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Notes.

The Issuer may raise other capital which affects the price of the Perpetual Notes

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Notes. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders of Perpetual Notes on a winding-up of the Issuer and may increase the likelihood of a deferral of Distribution under the Perpetual Notes. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Perpetual Notes and/or the ability of Noteholders to sell their Perpetual Notes.

The Subordinated Perpetual Notes are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Notes will constitute unsecured and subordinated obligations of the Issuer. In the event of the winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Notes to receive payments in respect of the Subordinated Perpetual Notes will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Notes and/or Notes. In the event of a shortfall of funds or a winding-up, there is a real risk that an investor in the Subordinated Perpetual Notes will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued Distribution.

In addition, subject to the limit on the aggregate principal amount of Notes that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Noteholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Notes. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Notes on a winding-up of the Issuer and/or may increase the likelihood of a deferral of Distribution under the Subordinated Perpetual Notes.

Tax treatment of the Perpetual Notes is unclear

It is not clear whether any particular tranche of the Perpetual Notes (the "**Relevant Tranche of the Perpetual Notes**") will be regarded as debt securities by the Inland Revenue Authority of Singapore for the purposes of the ITA and whether the tax concessions available for qualifying debt securities under the Qualifying Debt Securities Scheme (as set out in "Taxation – Singapore Taxation") would apply to the Relevant Tranche of the Perpetual Notes.

If the Relevant Tranche of the Perpetual Notes are not regarded as debt securities for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the Qualifying Debt Securities Scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Notes.

Risks relating to Renminbi-denominated Notes

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine current account foreign exchange transactions. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to facilitate trading of Renminbi and settlement of other current account items globally. It was further extended in August 2011 to cover all provinces and cities in the PRC. Currently, participating banks in Singapore, Hong Kong and Taiwan have been permitted to engage in settlement of Renminbi trade transactions.

On 12 October 2011, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the "**MOFCOM RMB FDI Circular**"). Pursuant to the MOFCOM RMB FDI Circular, prior written consent from the appropriate office of MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi foreign direct investments ("**RMB FDI**"). The MOFCOM RMB FDI Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement. On 13 October 2011, Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment (the "**PBOC RMB FDI Measures**") issued by the People's Bank of China ("**PBOC**") set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore

Renminbi loans. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information after the completion of a RMB FDI transaction, and (ii) make post-event registration or filing with the PBOC of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger, division or other material changes.

As the above measures and circulars are still relatively new, how they will be applied in practice still remain subject to the interpretation by the relevant PRC authorities.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of Renminbi into or outside the PRC. In the event that the Group is not able to repatriate funds outside the PRC in Renminbi, the Issuer or the Guarantor will need to source Renminbi offshore to finance their respective obligations under Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Issuer's and the Guarantor's ability to source Renminbi outside the PRC to service such Renminbi Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licenced banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement system for participating banks in Singapore, Hong Kong and Taiwan. Each of Industrial and Commercial Bank of China Limited, Singapore Branch, Bank of China (Hong Kong) Limited and Bank of China, Taipei Branch (each an "**RMB Clearing Bank**") has entered into settlement agreements with PBOC to act as RMB clearing bank in Singapore, Hong Kong and Taiwan respectively.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. Each RMB Clearing Bank only has access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described under the Notes, the Issuer can make payments under the Notes in a currency other than Renminbi.

Investment in Renminbi Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. Dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to Renminbi Notes in Renminbi, save as provided in the terms and conditions in accordance with Condition 7(i) of the Terms and Conditions of the Notes other than Perpetual Notes and Condition 6(i) of the Terms and Conditions of the Perpetual Notes. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Renminbi Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the Renminbi Notes below their stated coupon rates and could result in a loss when the return on the Renminbi Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

Payments in respect of Renminbi Notes will only be made to investors in the manner specified in such Renminbi Notes

All payments to investors in respect of Renminbi Notes will be made solely (i) when Renminbi Notes are represented by Global Notes, transfer to a Renminbi bank account maintained in Hong Kong or Singapore, as the case may be, in accordance with prevailing CMU rules and procedures or CDP rules, as the case may be, or (ii) when Renminbi Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. In the event that a holder of Renminbi Notes fails to maintain a valid Renminbi account with a bank in Hong Kong or Singapore, as the case may be, and accordingly, payments are unsuccessful, it is possible that such amounts may be settled in a currency other than Renminbi. The Issuer and the Guarantor cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

DESCRIPTION OF THE ISSUER

The Issuer was incorporated with limited liability under the laws of the Republic of Singapore. It is a wholly owned subsidiary of the Guarantor.

Its principal activities are the provision of financial and treasury services to related parties. Apart from the issue of Notes under the Programme, it is also intended that the Issuer, as a central funding vehicle for the Group, may enter into other transactions for the purpose of raising funds to meet the funding requirements of the Group.

Registered Office

The registered office of the Issuer as at the date of this Offering Circular is at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912.

Shareholding and Capital

As at the date of this Offering Circular, the issued and fully paid up share capital of the Issuer is S$100,000,000 comprising S$27,600,000 in ordinary shares and S$72,400,000 in redeemable preference shares.

Directors

As at 1 September 2013, the Directors of the Issuer are:

(1) Olivier Lim Tse Ghow;

(2) Arthur Lang Tao Yih; and

(3) Tan Seng Chai.

DESCRIPTION OF THE GROUP

Overview

CapitaLand is one of Asia's largest real estate companies, with consolidated total assets of approximately S$38.6 billion and market capitalisation of S$15.0 billion as at 30 June 2013. Headquartered and listed in Singapore, CapitaLand's businesses in real estate and real estate fund management are focused on its core markets of Singapore and China.

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

For the six months ended 30 June 2013, CapitaLand recorded a total revenue of S$1,844.6 million and a net profit of S$571.3 million. Excluding revaluations and impairments, CapitaLand posted a net profit of S$349.8 million for this period. The eight listed entities of the CapitaLand Group include Australand Property Group ("**Australand**"), CapitaMalls Asia ("**CMA**"), Ascott Residence Trust ("**Ascott Reit**"), CapitaCommercial Trust ("**CCT**"), CapitaMall Trust ("**CMT**"), CapitaMalls Malaysia Trust ("**CMMT**"), CapitaRetail China Trust ("**CRCT**") and Quill Capita Trust ("**QCT**").

As at 30 June 2013, Temasek Holdings (Private) Limited ("**Temasek**") and its subsidiary and associated companies owned approximately 40.93 per cent. of CapitaLand.

The Group, through its Corporate Office, determines overall strategic direction, provides professional and functional leadership and determines corporate governance and corporate social responsibility standards for the Group. CapitaLand also plays the leading role in developing the Group's human resources, identifying major merger and acquisition opportunities, developing new businesses, allocating capital and establishing guidelines with respect to corporate governance and risk management within the Group.

On 3 January 2013, CapitaLand announced that it would realign and simplify the Group's organisational structure to sharpen its focus on key markets to realise its growth potential. The Group was realigned into four main businesses – CapitaLand Singapore, CapitaLand China, CMA and The Ascott Limited ("**Ascott**"). Under the simplified organisational structure, the Group's businesses in Singapore and China excluding that of CMA and Ascott, were consolidated into CapitaLand Singapore and CapitaLand China respectively.

Under the revised structure, CapitaLand Singapore comprises the businesses of CapitaLand Residential Singapore, the Singapore commercial businesses under the auspices of CapitaLand Commercial and CapitaLand's Malaysia business.

CapitaLand China comprises the businesses of CapitaLand China Holdings Pte Ltd, the residential businesses under the auspices of CapitaValue Homes Pte Ltd in China and, since 1 April 2013, the residential development business previously under Surbana Corporation Pte Ltd ("**Surbana**") in China.

CMA and Ascott were the other two main business units and they would operate across geographies in which CapitaLand operates.

The regional investments of CapitaLand including Australand, StorHub, Surbana's consultancy and related businesses (since 1 April 2013), and the overseas markets of Vietnam, Japan, India and Gulf Cooperation Council regions ("**GCC**"), as well as the real estate financial products and services, will be led by the Group Deputy Chief Executive Officer under the Corporate Headquarters.

Recent Significant Developments

On 1 July 2013, CapitaLand announced the acquisition of: (i) 100 per cent. of the issued share capital of BSG Holdings Pte Ltd ("**BSGH**"), which owns four self storage facilities; and (ii) the business of managing and operating self storage facilities carried on by Big Orange Self Storage Singapore Pte. Ltd. and the four self storage facilities being operated under the brand 'Big Orange'. The consideration for the acquisition is an amount equal to an agreed enterprise value of S$90.5 million adjusting for the net assets of BSGH as at the agreed completion date. Following the acquisition, StorHub will become the largest self storage company with the widest location network in Singapore.

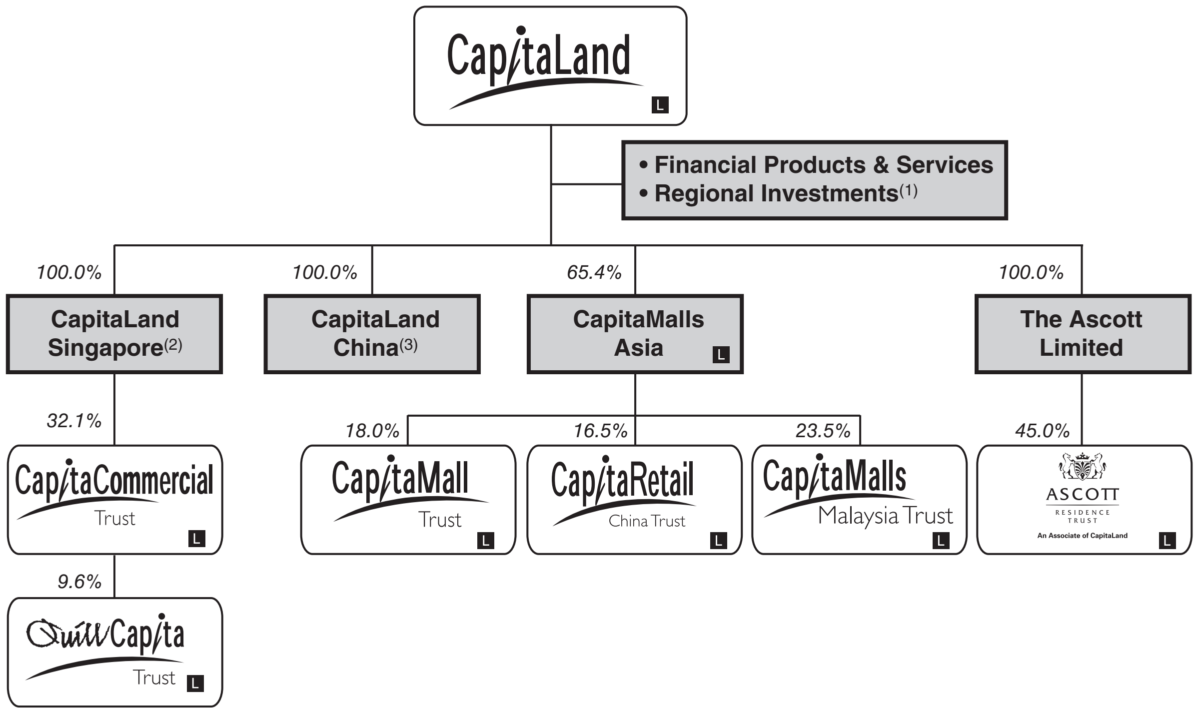
On 5 July 2013, CapitaLand announced the sale of its entire indirect one third interest in the following properties: (i) 99-121 Kensington High Street, London W8 and 34 Kensington Square, London W8; (ii) 1 Derry Street, London W8; (iii) land and buildings on the east side of High Street Kensington Underground Station, London W8; and (iv) 25 Kensington Square, London W8. The aggregate cash consideration is approximately £46.9 million (approximately S$90.7 million).

On 15 July 2013, CMA announced that it had won a tender to acquire the Grand Canyon Mall in Beijing, China, from Capital Airport Real Estate Group Co., Ltd. The acquisition is subject to the approval of the PRC government. CMA won the tender at a price of RMB1.74 billion (approximately S$356.6 million). Including acquisition-related expenses, the total investment for the mall is expected to be about RMB1.82 billion (approximately S$373.0 million). Under an existing agreement, CRCT has a right of first refusal over completed shopping malls located in China that are identified and targeted for acquisition by CMA or its subsidiaries. Following CMA's successful bid for Grand Canyon Mall, CapitaRetail China Trust Management Limited, the manager of CRCT, has exercised its right of first refusal and entered into a conditional call option agreement with CMA to acquire the mall. CRCT's proposed acquisition is conditional upon obtaining the PRC government's approval and the requisite financing.

On 22 July 2013, CapitaLand announced that it had completed the strategic review of its interest in its subsidiary Australand and concluded that Australand will continue as a key investment for CapitaLand. During the review Australand received indicative proposals for the whole and parts of its business. However, no proposal was able to be developed that was superior to business as usual. Australand will continue to provide CapitaLand with a stable stream of recurring income and remains well-positioned to benefit from its portfolio of commercial and industrial properties. It is also well placed to benefit from the improving outlook for the residential sector in key Australian cities.

On 1 August 2013, CapitaLand announced that its wholly-owned serviced residence business unit, Ascott, had acquired an operating serviced residence in Hong Kong for HK$462.3 million (approximately S$75.5 million). The property, which is located at a prime location at No. 138 Connaught Road West in Hong Kong Island, will be leased back to the seller or its nominated entity for two years. At the end of the lease in 2015, the property will be reconfigured and rebranded by Ascott.

THE GROUP'S BUSINESS STRUCTURE AS AT 30 JUNE 2013



Notes:

(1) CapitaLand's Regional Investments include Australand (listed on the Australian Securities Exchange ("**ASX**")), Surbana (Consultancy), StorHub and investments in the overseas markets of Vietnam, Japan, India, Gulf Cooperation Council region ("**GCC**") and United Kingdom.

(2) CapitaLand Singapore includes residential, commercial and mixed developments in Singapore and Malaysia.

(3) CapitaLand China includes residential, commercial and mixed developments, as well as CapitaLand's investments in Central China Real Estate Ltd (27.1%) and Lai Fung Holdings Limited (20.0%).

Percentages denote effective stakes held by CapitaLand.

L denotes listed entities.

The Group comprises the following strategic business units:

CapitaLand Singapore

CapitaLand Singapore is CapitaLand's main business unit for residential, office and mixed developments in Singapore and developments in Malaysia. It is one of Singapore's leading developers and owners of homes, offices and mixed-use projects. CapitaLand Singapore is the sponsor and manager of two listed commercial REITs, CCT and QCT, separately listed in Singapore and Malaysia respectively.

In the residential sector, CapitaLand develops residential properties for sale with projects catering to a broad range of homebuyers in the middle to high-end segments of the market. Projects launched in recent years include Sky Habitat, The Interlace, d'Leedon, The Nassim, Urban Resort Condominium and Urban Suites. As at 30 June 2013, CapitaLand Singapore has a residential pipeline of approximately 2,200 units and upcoming launches include a freehold seafront condominium project located in East Coast, and another condominium located in Bishan.

On the commercial front, CapitaLand Singapore develops, owns and manages an extensive portfolio of office, industrial and mixed-use properties largely located in Singapore. CapitaLand is one of Singapore's largest owners and managers of office properties in the country's Downtown Core. Its portfolio of properties ranges from landmark office buildings to high technology industrial complexes and mixed-use developments and car parks. CapitaLand Singapore owns these properties directly, through joint ventures and its stake in CCT. CapitaLand is currently developing two new office buildings – CapitaGreen along Market Street within the Central Business District ("**CBD**") and Westgate Tower in Jurong East, both of which are due for completion end 2014.

As an extension of CapitaLand's Singapore business, the Group made its first direct large scale mixed development investment in Danga Bay A2 Island in Iskandar, Malaysia. Over the next 10 to 12 years, the site will be developed into a premier waterfront residential development comprising high rise and landed homes with a central waterfront hub with a marina, shopping mall, food and beverage outlets, serviced residences, offices and recreational facilities.

Over the years, CapitaLand Singapore has garnered numerous awards for excellence in architecture and design, construction and energy efficiency in its homes, offices and mixed-use properties. Its signature developments include iconic homes such as The Interlace, d'Leedon and Sky Habitat as well as Grade A office towers such as CapitaGreen, Capital Tower and One George Street, and mixed-use developments such as Westgate, the Bedok Residences and Raffles City Singapore.

CapitaLand Singapore will continue to invest in and develop residential properties, offices and mixed-use developments in Singapore and Malaysia, and provide real estate management services as part of its business activities.

CapitaLand China

CapitaLand China, one of the leading foreign real estate developers in China, is a wholly owned subsidiary of CapitaLand, one of Asia's largest real estate companies. Certified as a China Well-Known trademark by the State Administration for Industry and Commerce of China, CapitaLand is dedicated to providing quality product and service to its customers. CapitaLand China's operations, which began in Shanghai, now span across the nation. Its core businesses range from homes, commercial properties to mixed developments and financial services. The Group expects to continue to expand its business in China, including undertaking strategic acquisitions of land banks and other assets.

As at 30 June 2013, CapitaLand China has a residential development pipeline of approximately 27,000 units and a portfolio of three commercial developments and eight Raffles City mixed developments in China. Its signature residential products include The Paragon in Shanghai, The Loft in Chengdu, Beaufort in Beijing and Riverside in Guangzhou. CapitaLand China is also managing five real estate PE funds in China as at 30 June 2013.

In the spirit of 'Building People', CapitaLand China seeks to establish a platform for staff development, which incorporates social responsibilities with the aim of building harmonious communities for people.

CapitaMalls Asia

CMA is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and by geographic reach. CMA has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It has interests in and manages a pan-Asian portfolio of 103 shopping malls across 52 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$34.0 billion and a total GFA of approximately 95.9 million sq ft as at 15 July 2013.

Ascott

CapitaLand's wholly owned serviced residence business unit, Ascott, is a Singapore company that has grown to be the world's largest international serviced residence owner-operator (by number of serviced residence units). It has more than 22,000 operating serviced residence units in key cities of Asia Pacific, Europe and the Gulf region, as well as about 9,000 units which are under development, making a total of more than 32,000 units spread over more than 200 properties as at 30 June 2013.

Financial Products & Services and Regional Investments

In addition, CapitaLand's Financial Products & Services and Regional Investments units come under the Group Headquarters.

CapitaLand's Financial Products & Services unit oversees the Group's real estate financial products and services. It has an established track record in originating, structuring, distributing and managing real estate financial products. Its areas of focus include originating, structuring and managing private real estate funds, listed REITs and structuring credit enhancements for financing arrangements in relation to real estate assets.

The Regional Investments unit manages regional real estate investments that fall outside the four main business units. These include CapitaLand Vietnam, Australand, StorHub, Surbana Consultants, as well as investments in Japan, India and GCC.

Strategic Business Units

The tables below summarise the relative contribution of the various strategic business units and geographical segments to the Group's revenue, EBIT and total assets (excluding treasury cash).

Revenue by Strategic Business Units	For the year ended 31 December 2012	For the six months ended 30 June 2013
	(%)	(%)
CapitaLand Singapore[1]	29	33
CapitaLand China[2]	13	16
CapitaMalls Asia	11	14
Ascott	12	11
Corporate and Others[3]	35	26
Total Revenue	100	100

Notes:

(1) Includes residential business in Malaysia.

(2) Excludes retail and serviced residences in China.

(3) Includes Australand, Surbana (Consultancy), StorHub, Financial Services and other businesses in Vietnam, Japan, the United Kingdom and GCC.

Revenue by Geographical Segments	For the year ended 31 December 2012	For the six months ended 30 June 2013
	(%)	*(%)*
Singapore	35	43
China[1]	18	21
Other Asia[2]	4	4
Australia	36	26
Europe & Others	7	6
Total Revenue	100	100

Notes:

(1) China including Hong Kong.

(2) Excludes Singapore and China and includes projects in GCC.

EBIT by Strategic Business Units	For the year ended 31 December 2012	For the six months ended 30 June 2013
	(%)	*(%)*
CapitaLand Singapore[1]	25	24
CapitaLand China[2]	16	20
CapitaMalls Asia	34	37
Ascott	9	5
Corporate and Others[3]	16	14
Total EBIT	100	100

Notes:

(1) Includes residential business in Malaysia.

(2) Excludes retail and serviced residences in China.

(3) Includes Australand, Surbana (Consultancy), StorHub, Financial Services and other businesses in Vietnam, Japan, the United Kingdom and GCC.

EBIT by Geographical Segments	For the year ended 31 December 2012	For the six months ended 30 June 2013
	(%)	*(%)*
Singapore	44	41
China[1]	33	37
Other Asia[2]	4	7
Australia	18	15
Europe & Others	1	*
Total EBIT	100	100

Notes:

* Less than 1%

(1) China including Hong Kong.

(2) Excludes Singapore and China and includes projects in GCC.

Total Assets (excluding treasury cash) by Strategic Business Units	As at 31 December 2012	As at 30 June 2013
	(%)	*(%)*
CapitaLand Singapore[1]	17	18
CapitaLand China[2]	22	24
CapitaMalls Asia	31	30
Ascott	10	9
Corporate and Others[3]	20	19
Total EBIT	100	100

Notes:

(1) Includes residential business in Malaysia.

(2) Excludes retail and services residences in China.

(3) Includes Australand, Surbana (Consultancy), StorHub, Financial Services and other businesses in Vietnam, Japan, the United Kingdom and GCC.

Total Assets (excluding treasury cash) by Geographical Segments	As at 31 December 2012	As at 30 June 2013
	(%)	*(%)*
Singapore	33	34
China(1)	39	40
Australia	16	15
Other Asia(2)	9	8
Europe & Others	3	3
Total Assets	100	100

Notes:

(1) China including Hong Kong.

(2) Excludes Singapore and China and includes projects in GCC.

History

The Group was formed on 27 November 2000 following a merger between DBS Land Limited ("**DBS Land**") and Pidemco Land Limited ("**Pidemco**") (which were incorporated on 31 July 1978 and 5 January 1989, respectively).

On 17 April 2000, ST Property Investments Pte Ltd ("**STPI**"), a shareholder of Pidemco and a company within the Singapore Technologies Group of Companies ("**ST Group**"), acquired 24.6 per cent. of DBS Land, then a company listed on the SGX-ST. This acquisition resulted in STPI becoming a shareholder of both DBS Land and Pidemco.

DBS Land and Pidemco were engaged in similar sectors of the property business. Consequently, the management of Pidemco and DBS Land conducted a strategic review of their businesses and concluded that shareholder value would be maximised by merging the two companies.

On 12 July 2000, Pidemco and DBS Land announced that they had signed a merger agreement to create CapitaLand, one of the largest listed real estate companies in Asia. The merger was completed on 27 November 2000.

Strategy

The Group's strategy is underpinned by the three principles of focus, balance and scale. Firstly, focusing on its core markets of Singapore and China. Secondly, achieving balance in its business portfolio across the whole spectrum of real estate sectors. These include residential, shopping malls, offices, serviced residences and mixed developments. Thirdly, achieving and capitalising on scale, both in terms of achieving market leading positions across the various real estate sectors and in taking advantage of the collective strengths of the Group.

CapitaLand simplified its organisational structure in 2013 into four main businesses – CapitaLand Singapore, CapitaLand China, CMA and Ascott. By consolidating its key residential, office and mixed development businesses into two integrated country-centric structures, CapitaLand Singapore and CapitaLand China, the Group will be better able to drive its growth in these two core markets. Shopping mall and serviced residence businesses in all markets, including Singapore and China, continue to be spearheaded by CMA and Ascott, respectively. This will allow CMA and Ascott to deepen their product expertise and maximise the international network effect inherent in their respective businesses. The Group has also streamlined its Chinese name to "凯德集团" (Kai De Ji Tuan) since the beginning of 2013, which allows the Group to better leverage its brand recognition in both China and Singapore.

The key drivers of the Group's strategy are as follows:

Strategic Focus on Singapore and China

CapitaLand is confident of the long-term prospects of the real estate markets in Singapore and China, which are underpinned by strong economic fundamentals, growing populations, rising disposable income levels and improving consumption patterns. In both markets, CapitaLand has built up strong capabilities across the full real estate value chain from land acquisition, development and operation to capital management. The Group enjoys a high level of brand recognition in both markets as a result. The Group expects to continue to expand its business in its core markets, including undertaking strategic acquisitions of land banks and other assets in China.

In Singapore, the Group continues to leverage its development capabilities in the mixed development segment when seeking new acquisitions. The Group's competitive advantage lies in its in-house development and operational expertise across different property segments, enabling CapitaLand to capitalise on such investment opportunities in mixed development projects.

In addition, CapitaLand is focused on building a strong residential pipeline to achieve its goal of being one of the top three residential developers in Singapore by market share. The Group also intends to continue its growth by acquiring premium sites and, depending on its investment strategy for the sites, enter into joint ventures with suitable partners for the larger residential developments. CapitaLand acquired two sites in Singapore in 2012 and a landed housing site at Coronation Road in 2013. The first acquisition, from Ascott Reit, is a prime mixed development site in Cairnhill, where CapitaLand plans to build 268 residential units for sale in addition to a serviced residence with a hotel licence. The second site in Bishan, acquired through a Government land sales tender in Singapore where a 694-unit condominium is planned, is an adjoining plot to Sky Habitat, in which CapitaLand owns a 65 per cent. stake. The Coronation Road site is located in the prime Bukit Timah residential district. CapitaLand plans to develop a landed housing development comprising semi-detached houses and bungalows. These acquisitions bring CapitaLand's residential pipeline to approximately 2,200 units as at 30 June 2013. For 2013, the Group plans to progressively release new phases at d'Leedon and The Interlace, and launch a freehold seafront condominium project with 124 units located in East Coast and another condominum located in Bishan, subject to market conditions. The Group intends to expand its residential pipeline via selective government land tenders and private collective sales as the long-term prospects of the Singapore housing market remain attractive.

On the commercial front, CapitaLand has completed one cycle of strategic reconstitution of its office portfolio, where non-grade A office assets that have reached an optimal stage of their lifecycle are divested and the proceeds reinvested in higher quality assets that will generate longer term sustainable returns. The new supply of office developments in Singapore's CBD is estimated to average approximately one million sf per annum between 2013 and 2016, easing concerns of oversupply. The rate of decline in market rent for offices in the CBD has eased since mid 2012 and is poised for recovery over the next 12 months. CapitaLand's income generating commercial and mixed development portfolio is held by CapitaLand's associate, CCT. In 2013, CCT will continue to focus on active portfolio management, capital management and acquisitions which will generate value for unitholders. The Group is positive about CapitaGreen, a Grade A office building located along Market Street within the CBD, and Westgate Tower, the prime office tower of the Westgate development located in Jurong East, as both projects are due for completion by the end of 2014, when new office supply is expected to be low.

In the retail segment, the Group's focus is on selective acquisitions to extend market leadership and undertaking asset enhancement initiatives to improve the yields of its mall portfolio. In the serviced residence segment, CapitaLand, through Ascott, aims to expand its serviced residence portfolio in Singapore to capitalise on Singapore's increasing importance as a key business and tourist destination.

In China, CapitaLand has emerged as one of the leading foreign real estate companies with a portfolio consisting of homes, office buildings, shopping malls, serviced residences and mixed developments. This multi-sector business model in China has continually provided a diversified earnings base for the Group and CapitaLand's ability to integrate various property types seamlessly into one integrated development, remains the Group's key advantage in the market. The Group has achieved much success through the development of mixed development projects in China. For example, the Raffles City brand has been synonymous with architectural excellence and is a showcase of CapitaLand's development capability. Each Raffles City development is defined by its prime city location, an outstanding design conceptualised by a renowned architect and a seamless integration of real estate functions (such as shopping mall, offices, hotel and/or serviced residences) into one cohesive development. CapitaLand has a portfolio of eight Raffles City developments in China, with a total construction floor area of over three million sqm of floor space spanning across Beijing, Chengdu, Ningbo, Hangzhou, Shenzhen, Chongqing and Shanghai as at 30 June 2013. Of the eight Raffles City projects, the projects in Shanghai (Raffles City Shanghai), Beijing and Ningbo are fully operational. Raffles City Chengdu is due to be fully operational by the end of 2013, whilst the remaining four located in Hangzhou, Shenzhen, Changning in Shanghai and Chongqing, are in various stages of development. Raffles City Shanghai and Raffles City Beijing are performing well, with retail and office committed occupancies exceeding 98 per cent. and annualised net property income yields on cost at 18 per cent. and 12 per cent., respectively, as at 30 June 2013. Raffles City Chengdu and Raffles City Ningbo commenced mall operations in late September 2012 and committed leasing rates of the shopping malls in both properties are above 90 per cent. as at 30 June 2013. CapitaLand intends to focus its development capability in the mixed development product segment when seeking new acquisitions in China. The Group will leverage the Raffles City brand and seek to secure more investments in key strategic cities in China as part of its plan to build additional Raffles City developments in China.

In China, CapitaLand's residential real estate portfolio comprises low density and high rise homes, with a diversified mix to satisfy a range of homebuyers' aspirations. China continues to be spurred by rapid urbanisation and aspirations of the growing middle class. CapitaLand will capitalise on this strong growth potential whilst cautiously seeking good investment opportunities to expand its residential development footprint in key strategic cities in China. The Group's residential development pipeline in China as at 30 June 2013 stands at approximately 27,000 units with a gross floor area ("**GFA**") in excess of three million sqm. New residential projects such as Summit Residences in Ningbo, strata-titled apartments at Raffles City Chengdu, and new units from existing projects such as The Loft in Chengdu, Dolce Vita in Guangzhou and The Metropolis in Kunshan will be launch-ready in 2013. In the second half of 2013, approximately 1,400 residential units are expected to be launch-ready with an estimated sales value of RMB3 billion (approximately S$0.7 billion), while approximately 1,900 residential units are expected to be handed over to homebuyers, mainly from Beaufort in Beijing, Imperial Bay in Hangzhou, The Paragon in Shanghai, Dolce Vita in Guangzhou and The Loft in Chengdu.

CapitaLand's serviced residence business unit, Ascott, is the largest international serviced residence owner-operator in China (by number of serviced residence units), with more than 8,000 apartment units in 47 properties across 18 cities as at 30 June 2013. Ascott aims to expand its footprint in tier one and high growth cities in China to cater to the increasing demand for international-class serviced residences from expatriates and domestic travellers. Ascott will grow its portfolio through investments, management contracts and strategic alliances with leading developers. At the same time, Ascott will continue with its asset enhancement initiatives to strengthen its brand and improve its service standards.

According to the National Development and Reform Commission of China, the growth of total retail sales of consumer goods in China is expected to reach 14.5 per cent. in 2013. This reflects China's steady economic growth and rapid urbanisation. CapitaLand, through CMA, has 60 malls in China, including 50 operational malls, as at 30 June 2013, and is positioned to benefit from China's growth trend.

CapitaLand intends to continue its investment focus on the residential, retail shopping mall, mixed development and serviced residences sectors in key Chinese cities to build on its market leading position in these markets. Capital deployment will be directed to key Chinese cities where the Group has a meaningful presence or where it has identified the potential to support a sizeable business operation.

Outside the core markets of Singapore and China, CapitaLand maintains relatively large and stable operations in Australia, Malaysia, Vietnam and Europe. These markets account for 26 per cent. of the Group's total assets (excluding treasury cash) as at 30 June 2013 and present potential for further growth. CapitaLand has a market presence across the various real estate sectors in these markets ranging from retail in Malaysia, affordable housing in Vietnam to serviced residences in Europe. In the opportunistic markets of Japan and India, CapitaLand will adopt a cautious approach when approaching growth given the difficult economic climate and challenging operating conditions.

As an extension of CapitaLand's Singapore business, CapitaLand made its first large scale mixed development investment in Danga Bay A2 Island in Iskandar, Malaysia. The Group will hold a 51 per cent. stake in the project and lead the master planning and development of the freehold net land of approximately 3.1 million sf on the island. The total gross value of the project is estimated at RM8.1 billion (S$3.2 billion) for about 11 million sf of total GFA. The project is envisaged to be a premier waterfront residential development comprising high rise and landed homes with a central waterfront hub with a marina, shopping mall, food and beverage outlets, serviced residences, offices and recreational facilities. The development duration is projected at between ten and 12 years.

Capital Productivity and Active Capital Management

CapitaLand will continue to focus on its capital management strategy. The Group intends to continue to use real estate investment trusts ("**REITs**") and private equity ("**PE**") funds to grow its assets under management ("**AUM**"). New investment properties may be acquired through property funds, REITs or directly by CapitaLand with a view to placing them into such vehicles eventually. This strategy, to co-invest with financial partners whilst retaining management of the assets, supports one of the Group's strategies to develop fund and asset management services.

In addition, consistent financial performance and prudent capital management have strengthened the Group's balance sheet. The Group has maintained financial flexibility with a net debt equity ratio of 0.45 and a cash position of S$5.2 billion as at 30 June 2013. As part of its financial strategy, the Group continues to seek diversified sources of funding from banks, capital markets, REITs and PE funds.

The Group intends to continue to utilise its capital recycling model and prudent capital management to provide the financial flexibility for the Group to seek out strategic investments.

Grow Fee-Based Businesses

While real estate development remains one of the Group's core competencies of its real estate businesses, the Group has over the years developed and strengthened its fee-based management services as another growth platform. These services include management of retail assets, property funds, real estate based funds and serviced residences. These services make use of the Group's real estate knowledge, market networks and brands, while requiring relatively less capital relative to the Group's development projects. Currently, the Group is one of the leading Asia-based real estate fund and REIT managers. These funds and REITs are spread across the residential, office, retail and mixed development property segments spanning key gateway cities in Asia including Singapore, Beijing, Shanghai, Kuala Lumpur and Tokyo.

One key achievement resulting from the extension of CapitaLand's fund management business is its retail mall management business. From being focused predominantly in Singapore in the year 2000, the franchise has, over the last 13 years, grown to become one of the largest retail mall owners and managers in Asia, spanning across Singapore, China, Malaysia, Japan and India. The ability to grow this extensive platform has been largely attributed to the success of the fund management segment where the Group is able to tap external resources, thereby enabling it to rapidly grow the franchise and the brand.

For the serviced residence business, Ascott has leveraged its global brands Ascott, Citadines and Somerset to increase its fee income through managing externally-owned serviced residences under its brands, in addition to the serviced residences owned by Ascott and Ascott Reit. Ascott will continue to focus on strengthening its global brands and growing its fee income base.

Competitive Strengths

Size and Scale

CapitaLand is one of Asia's largest listed real estate companies, with a market capitalisation of S$15.0 billion and consolidated total assets of S$38.6 billion as at 30 June 2013. In addition, the Group has S$67.9 billion of real estate AUM as at 30 June 2013.

Since its formation, CapitaLand has grown to become one of the leading real estate developers in Asia with a consistent track record and is a market leader across real estate sectors and geographical regions. CapitaLand is one of the leading residential developers and shopping mall owners and managers in Singapore and one of the leading foreign real estate developers in China, which are the Group's two largest markets. Ascott is the world's largest international serviced residence owner-operator (by number of serviced residence units), with more than 32,000 apartment units in over 200 properties spanning over 70 cities across more than 20 countries in Asia Pacific, Europe and the Gulf region.

CapitaLand is able to leverage its significant asset base, real estate domain knowledge, product design and development capabilities, capital management strategies and extensive market network to develop real estate products and services in Singapore and around the region. CapitaLand also owns and manages some of Asia's largest publicly traded and private real estate funds across asset classes and geographies.

Diversified and Balanced Business Profile

CapitaLand has a balanced real estate portfolio, which spans more than 110 cities in over 20 countries and includes homes, offices, shopping malls, serviced residences and mixed developments.

While its core markets in Singapore and China account for approximately 74 per cent. of its total assets (excluding treasury cash) as at 30 June 2013, it has a balanced portfolio across Singapore and China, with the two countries contributing 34 per cent. and 40 per cent., respectively, allowing the Group to manage volatility and mitigate any adverse developments in each of these markets. For example, the diversification across real estate products enables the Group to avoid dependence on a particular asset class and positions CapitaLand favourably to capitalise on the growth opportunities in each asset class. In Singapore, of the total assets (excluding treasury cash) of S$12.2 billion as at 30 June 2013, residential and commercial real estate assets account for 51 per cent., while retail real estate assets account for 39 per cent.

Integrated Real Estate Model

CapitaLand is one of the leading residential developers and shopping mall owners and managers in Singapore, one of the leading players in China malls and mixed developments and the leading serviced residence owner-operator globally. Expertise across the various real estate segments places the Group in a unique position for developing large scale, mixed development projects. CapitaLand is also the pioneer of the Singapore REIT market having listed CMT, the first and largest REIT in Singapore. The Group currently has four listed REITs in Singapore, comprising CMT, CCT, Ascott Reit and CRCT. The Group's integrated model enhances its ability to leverage upon the diverse skill sets and broad experience of its various entities to extract value across the entire real estate value chain, from development, incubation of completed investment properties to maturity, realisation of full value upon exit, to the recycling of capital, with a strong focus on capital efficiency and productivity.

Product and Design-Driven Project Development Approach

CapitaLand has developed unique in-house product design and development capabilities that allow it to deliver award-winning mixed developments, such as ION Orchard and Raffles City Chengdu. The Group leverages its expertise in the mixed development segment by seeking new site acquisitions and delivering more attractive products to customers that command a market premium. Examples include Bedok Mall and Bedok Residences, which is a retail and residential mixed development, and Westgate, a 7-storey lifestyle shopping mall and 20-storey office tower.

In addition, CapitaLand is also increasingly focused on ensuring that its real estate portfolio is developed with the environment in mind. Examples of such developments include CapitaGreen and Westgate, which were conferred the Green Mark Platinum award by Singapore's Building and Construction Authority ("**BCA**").

Established Track Record

As one of Asia's largest real estate companies, CapitaLand has established a strong track record in originating, structuring and managing real estate funds and financial products. The Group currently has six REITs and 18 funds under management.

Prudent and Efficient Capital Management

With successful implementation of its capital management strategy, CapitaLand has strengthened its balance sheet with a net debt to equity ratio of 0.45 and a cash position of S$5.2 billion as at 30 June 2013. In addition, the Group maintains a relatively long debt maturity profile of 3.6 years on average with a fixed rate portfolio of 72 per cent., as at 30 June 2013, in hedging against interest rate risk.

CapitaLand actively focuses on improving its capital efficiency. In this regard, the REITs and PE funds serve as effective platforms to efficiently utilise and recycle capital. The placement of stabilised investment properties into its managed REITs and PE funds allows the Group to apply the increase in available capital to increase its asset base. By maintaining a strong balance sheet, the Group has been able to achieve significant expansion through various strategic joint ventures and acquisitions.

Access to Capital

CapitaLand has successfully tapped funding from banks, debt and equity capital markets, PE funds, REITs amongst others. The diversity of these capital sources combined with its capital efficient business platform has enabled it to gain access to liquidity from domestic and global markets.

In addition to its financial expertise, the Group's in-house capabilities include real estate capital management, structured financing, property fund management and advisory services. It has established some of the largest and most liquid publicly traded REITs in the region.

CapitaLand Singapore

CapitaLand Singapore is one of Singapore's leading developers and owners of distinctive and quality homes, offices and mixed-use developments. CapitaLand's developments in Malaysia also come under the purview of CapitaLand Singapore.

Singapore Property Market

Singapore's residential market turned in record home sales of 22,197 units in 2012, despite the global uncertainty and cooling measures introduced during the year, surpassing the preceding year's 15,904 units. In the first half of 2013, sales momentum remained high, with 9,950 units being transacted.

In the office sector, Singapore's island-wide office occupancy rate increased from 94.9 per cent. in the first quarter of 2013 to 95.7 per cent. in the second quarter of 2013.[1] Occupancy rate in the core Central Business District ("**CBD**") rose from 93.2 per cent. to 95.1 per cent. as a result of higher net absorption. The average monthly rent of CBD Grade A office remained stable at S$9.55 per sf in the second quarter of 2013.[1] The average new office supply in the CBD and decentralised areas is expected to be approximately 1 million sf per annum from 2013 to 2016.

A Focus on Distinctive and Quality Homes in Central Locations

In 2012, CapitaLand achieved total sales of 681 residential units with sales value amounting to S$1.3 billion. In the first half of 2013, CapitaLand achieved total sales of 683 units with a total sales value of about S$1.6 billion. This is largely driven by its focus on building distinctive and quality homes in central locations and near MRT stations.

Located in Bishan Central, the 509-unit Sky Habitat designed by Moshe Safdie was launched in April 2012. The iconic condominium features a dramatic architectural form of two 38-storey towers interconnected by three bridging gardens. 70 per cent. of the 180 units launched were sold in its first weekend of sales.

CapitaLand and Ascott completed their acquisition of the Somerset Grand Cairnhill Singapore in September 2012. They will jointly redevelop it into CapitaLand's first integrated development comprising a serviced residence with a hotel licence and a high-end residential development with 268 units.

---

1 Source: CBRE Group, Inc.

In November 2012, a CapitaLand and Mitsubishi Estate Asia Pte Ltd joint venture successfully bid for a residential site at Bishan Street 14 at a tender price of S$505.1 million in a government land sales tender. The site will be developed into a condominium with 694 units. This new development will complement neighbouring Sky Habitat in terms of its unit mix and unit size and will have its own distinctive architectural design.

In the last quarter of 2012, new phases were launched at Sky Habitat, The Interlace and d'Leedon. Bedok Residences which was launched in November 2011 is almost fully sold.

Growing Office Portfolio in Singapore

In 2012, CapitaLand enhanced the value of its commercial properties through active portfolio management and asset upgrading.

CCT, CapitaLand's listed commercial REIT grew its portfolio to a total asset size of S$7.1 billion as at 30 June 2013.

Two Joint Venture Developments on Schedule for Completion in 2014

CapitaLand's joint ventures in Westgate, a mixed-use development in Jurong East and CapitaGreen, a Grade A office tower along Market Street within the CBD, commenced construction in January 2012 and February 2012, respectively.

Construction for the S$1.4 billion CapitaGreen development is expected to complete by the end of 2014. In May 2012, CapitaGreen won the Green Mark Platinum Award, conferred by BCA in recognition of the standards achieved in relation to environmental sustainability. In May 2013, CapitaGreen was awarded the Universal Design Gold^{Plus} in view of its barrier-free and friendly, accessible design.

Westgate is a S$1.5 billion development comprising an office building and a shopping mall. Construction for Westgate Tower, the office building, is expected to complete by the end of 2014. The mixed development has been conferred both the BCA Green Mark Platinum, the highest green building accolade, and Universal Design Mark Gold^{Plus} for its building design.

CapitaLand China

In the last 19 years, CapitaLand has been deepening its presence in the China market with a portfolio consisting of homes, office buildings, shopping malls, serviced residences and mixed developments. Its multi-sector, multi-geography business model provides a diversified earnings base.

Steady Residential Sales and Development

The short-term volatility in the market as a result of credit tightening and the government's measures to restrict the purchase of residential properties affected real estate companies in general. Nevertheless, CapitaLand's projects have been able to ride the market with steady performance. In 2012, CapitaLand sold over 3,000 residential units, achieving total sales value of approximately RMB7 billion (approximately S$1.4 billion). In the first half of 2013, CapitaLand sold 1,691 residential units with total sales value of approximately RMB3.2 billion (approximately S$0.6 billion), a year-on-year increase in units and sales value of 58 per cent. and 43 per cent., respectively. CapitaLand has released more units from Dolce Vita in Guangzhou, The Loft in Chengdu and The Metropolis in Kunshan for sale in the first half of 2013. There are plans to release new launches and more units of existing projects throughout the course of 2013 according to the market conditions and subject to regulatory approval.

In June 2013, CapitaLand acquired a 70 per cent. stake in Shanghai Guang Chuan Property Co., Ltd, which owns a prime site in Hanzhonglu, Zhabei District, Shanghai. The site has a total gross floor area of approximately 110,000 sqm, which will be developed into a mixed development comprising residential, office and retail components. The transaction is subject to governmental approval and is expected to complete by the second quarter of 2014.

Raffles City Portfolio in China

CapitaLand expanded the footprint of its signature Raffles City mixed development in China in 2012. Raffles City Shenzhen started construction in August 2012, while Raffles City Chengdu held an inauguration ceremony graced by Mr Lee Hsien Loong, Prime Minister of Singapore in September 2012. On the first day of its business operation, Raffles City Chengdu attracted more than 150,000 visitors. In the same month, Raffles City Chongqing, CapitaLand's biggest investment in China and the largest single investment by any Singaporean firm in the country, held a ground-breaking ceremony, followed by the grand opening of Raffles City Ningbo as the first mixed development in the Jiangbei District. Raffles City Shanghai and Raffles City Beijing continue to achieve strong rental growth. The construction of Raffles City Changning and Raffles City Hangzhou is also underway. The portfolio of eight Raffles Cities in China has over three million sqm of construction floor area.

Real Estate PE Funds in China

CapitaLand has established a strong track record in originating, structuring and managing real estate funds and financial products. As at 30 June 2013, CapitaLand China manages five real estate PE funds. CapitaLand China Development Fund I (U.S.$400.0 million, approximately S$503.0 million) and Fund II (U.S.$239.8 million, approximately S$301.6 million) primarily invest in residential products in China. Raffles City China Fund (U.S.$1.18 billion, approximately S$1.48 billion), Raffles City Changning JV (S$1.03 billion) and CTM Property Trust (S$1.12 billion) invest in Raffles City developments in China. The five PE funds provide a platform for CapitaLand's capital partners to participate in the real estate business in China.

Future Prospects

Through years of perseverance and effort, China has grown to become the largest overseas market for CapitaLand. By integrating international concepts with local practices and with a balanced portfolio and financial stability, CapitaLand will continue to invest in China's urbanisation and its development of the real estate industry. CapitaLand will also continue to seek opportunities to acquire new development sites to boost its property pipeline in China, including undertaking strategic acquisitions of land banks and other assets.

CapitaMalls Asia

CMA posted S$120.2 million of operating profit after tax and minority interests ("**PATMI**") in 1H 2013, an increase of 62.2 per cent. over the S$74.1 million for 1H 2012. Including portfolio gains of S$20.6 million and revaluation gains of S$178.0 million, total PATMI grew 6.7 per cent. to reach S$318.8 million for the same period. CMA's malls in the key markets of Singapore, China and Malaysia continued to deliver strong operational performance. On the back of a 14.9 per cent. growth in total tenants' sales, net property income of our China malls increased 12.1 per cent..

The key markets that CMA operates in are expected to perform well in 2013 with sustained tenants' sales growth. Malls that opened in 2012 have started to contribute meaningfully to earnings in 2013.

As at 15 July 2013, CMA had interests in and managed a portfolio of 103 shopping malls across 52 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$34.0 billion and a total GFA of approximately 95.9 million sq ft. Of these, 83 malls were operational while the other 20 will open over the coming years.

Delivering on Inflection Point

CMA has delivered on its planned programme that 2012 would be an inflection point for the company with the opening of a total of nine malls – two in Singapore (The Star Vista and JCube) and seven in China (CapitaMall Taiyanggong in Beijing, CapitaMall Wusheng in Wuhan, CapitaMall Rizhao in Rizhao, CapitaMall Xuefu in Harbin, CapitaMall Xindicheng in Xi'an, Raffles City Chengdu and Raffles City Ningbo). It also completed major asset enhancements of Plaza Singapura and Bugis+ during the year. CMA started 2013 with approximately 75 per cent. of all its malls operational, including approximately 70 per cent. of its malls in China, both by net asset value.

To continue its growth, CMA committed more than S$1.6 billion in new investments in 2012, consisting of the acquisitions of stakes in eight malls – three in China (CapitaMall Tiangongyuan in Beijing, CapitaMall 1818 in Wuhan, and CapitaMall Xinduxin in Qingdao, its first mall in the city); one in Klang Valley, Malaysia (a joint venture for its first greenfield development in the country); and four in Japan (Olinas Mall in Tokyo; and increasing its stakes in La Park Mizue in Tokyo, Izumiya Hirakata in Osaka and Coop Kobe Nishinomiya-Higashi in Hyogo to 100 per cent.).

In addition, CMA issued S$400.0 million of 10-year step-up retail bonds in Singapore at the start of 2012, through its wholly owned subsidiary, CapitaMalls Asia Treasury Limited ("**CMATL**"), paying 3.8 per cent. per annum for the first five years and 4.5 per cent. per annum for the subsequent five years if the bonds are not redeemed early. The public offer was more than 4.5 times subscribed, while the placement tranche was more than two times subscribed. CMATL also issued S$250.0 million of 10-year corporate bonds in August 2012, paying 3.7 per cent. per annum. In July 2012, CMA established CapitaMalls China Development Fund III with a fund size of U.S.$1.0 billion. This is the company's largest PE fund to-date and its fourth Chinese fund.

In 2013, CMA opened CapitaMall Meilicheng in Chengdu and also targets to open two new malls in Singapore (Westgate and Bedok Mall), as well as phase two of CapitaMall Jinniu in Chengdu.

Ascott

CapitaLand's serviced residence business unit, Ascott, has an international portfolio of quality serviced residences which it actively manages and enhances through its award-winning brands and operations. The company operates three brands – Ascott, Citadines and Somerset, with a portfolio of more than 32,000 apartment units in over 200 properties across more than 70 cities in Asia Pacific, Europe and the Gulf region as at 30 June 2013.

Enhanced Portfolio Constitution with New Acquisitions

In 2012, Ascott acquired The Cavendish London in United Kingdom which will be subsequently transformed into a luxurious serviced residence under the premier Ascott brand.

Ascott, together with CapitaLand, also acquired Somerset Grand Cairnhill Singapore from Ascott Reit for redevelopment into a new serviced residence with a hotel licence and a high-end residential development. At the same time, Ascott also divested Ascott Guangzhou and Ascott Raffles Place Singapore to Ascott Reit. Through these transactions, Ascott has increased its investment in Singapore's growing hospitality industry.

Ascott's 45 per cent. owned associate company, Ascott Reit, has also grown its portfolio of income-generating assets. As at 30 June 2013, Ascott Reit's asset size has more than tripled to S$3.2 billion when it was listed in 2006.

Ascott's total investment amount committed in 2012 was S$850.0 million. The total divestment proceeds raised in 2012, which included the proceeds from divesting Citadines Ashley Hongkong to a third party, were S$333.3 million.

As at the date of this Offering Circular, Ascott continues to operate Ascott Guangzhou, Ascott Raffles Place Singapore and Citadines Ashley Hongkong post divestment.

Enhancing Customer Experience and Brand Value

Between January and 30 June 2013, Ascott secured 12 management contracts in Guangzhou, Nanjing, Wuxi, Hanoi, Iskandar, Manila, Gurgaon, Riyadh and Jeddah further strengthening its leadership position as the world's largest international serviced residence owner-operator.

In March 2013, Ascott opened its first Citadines properties in Indonesia and Malaysia, Citadines Rasuna Jakarta and Citadines Uplands Kuching respectively. Ascott also opened its first boutique-style luxury residence under the Citadines Suites label, Citadines Suites Louvre Paris, after an extensive nine-month transformation. Citadines Suites is a new label that complements Ascott's existing Citadines Prestige and Citadines Apart'hotel labels. Designed as a boutique-style luxury residence, Citadines Suites provides an exceptional location and intimate ambience, personalised services, quality facilities, and optimum comfort for guests away from home.

To further enhance customer experience, brand value and asset yield across Asia and Europe, Ascott invested more than S$20 million to refurbish four properties in 2012, and had committed another S$58 million in 10 properties which will be renovated over the next few years.

In January 2013, Ascott established a marketing partnership with AKA, a luxury brand of serviced residences, in order to enhance its profile in the North American market. Under the marketing partnership, AKA, which provides luxury furnished suites in prime metropolitan locations in the United States, will refer its customers to Ascott when they travel out of America. Similarly, Ascott will recommend its U.S.-bound customers to stay at AKA's properties. The partnership will widen Ascott's global reach to approximately 80 cities across the U.S., Europe, Asia Pacific and the Gulf region. Ascott also appointed the established Serviced Apartments Worldwide as its sales representative in the U.S. to drive sales and promote Ascott's award-winning brands of serviced residences in the market.

In February 2013, Ascott was awarded the annual DestinAsian Readers' Choice Awards 2013 for Best Serviced Apartment/Residence Operator for the sixth time. Ascott has won the award every year since DestinAsian introduced the serviced apartment/residence category in 2008. Ascott's other achievements include TTG China Travel Awards 2013 for 'Best Serviced Residence Operator in China', TTG Travel Awards 2012 for 'Best Serviced Residence Operator', Business Traveller Asia-Pacific Awards 2012 for 'Best Serviced Residence Brand' and 'Best Serviced Residence in Asia-Pacific', and Business Traveller UK Awards 2012 for 'Best Serviced Apartment Company'.

Looking Ahead

Ascott will continue to pursue growth through investment in serviced residences and by securing more management contracts to achieve its target of 40,000 apartment units globally by 2015. Ascott will also continue with its asset enhancement initiatives to further strengthen its brand and continue to deliver award-winning service to its residents.

Financial Products & Services and Regional Investments

Financial Products & Services

CapitaLand Group's financial products and services generate fee income from originating, structuring and managing private real estate funds, listed REITs and other real estate financial products. As at 30 June 2013, the Group manages a total of six REITs and 17 PE funds with aggregate AUM of S$39.4 billion. The majority of the assets are located in the core markets of Singapore (42.6 per cent.) and China (42.9 per cent.). REIT and fund management fees received by the Group for the six months ended 30 June 2013 totalled S$87.0 million.

CapitaLand's REITs continue with their strategy of adding value through portfolio reconstitution, acquisition and development, asset enhancements, proactive leasing and capital management.

To unlock value for unitholders, CMT sold Hougang Plaza for S$119.1 million and the proceeds provided CMT with greater financial flexibility for refinancing and for commercially attractive acquisition opportunities. CMT raised S$250.0 million equity at an issue price of S$2.00 per unit through a private placement in November 2012, to finance capital expenditure and asset enhancement initiatives, refinance existing debts and/or for general corporate and working capital.

CCT completed one cycle of its portfolio reconstitution strategy with the acquisition of Twenty Anson for S$430.0 million. CCT and CMT jointly announced a S$34.7 million asset enhancement for Raffles City Tower, the office component of Raffles City Singapore. The enhancement, expected to achieve 8.6 per cent. projected return on investment, is expected to be completed by the second quarter of 2014.

Ascott Reit successfully raised gross proceeds of S$150.0 million from a private placement which was closed on 29 January 2013. The private placement has enabled Ascott Reit to enlarge its institutional investor base as it received participation from existing and new institutional investors from Asia, the United States and Europe.

CRCT successfully raised S$86.1 million in a private placement which was increased from the original offer of S$75.0 million, due to strong demand from over 30 existing and new investors from Asia, the United States and Europe.

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

The Group manages 17 real estate PE funds as at 30 June 2013:

No.	Fund name	Fund size[(2)]
		(in millions)
	Directly managed by CapitaLand	
1	Malaysia Commercial Development Fund	U.S.$270
2	ARC-CapitaLand Residences Japan Fund	JPY12,600
3	CapitaLand Vietnam JV Company (also known as "Vietnam Joint Venture Fund")[(1)]	U.S.$200
4	CapitaLand China Development Fund	U.S.$400
5	Ascott Serviced Residence (China) Fund	U.S.$500
6	Raffles City China Fund	U.S.$1,180
7	CapitaLand China Development Fund II	U.S.$239.8
8	Raffles City Changning JV[(1)]	S$1,026
9	CTM Property Trust	S$1,120
10	CapitaLand Township Development Fund I	U.S.$250
11	CapitaLand Township Development Fund II	U.S.$200
	Directly managed by CMA	
12	CapitaMalls India Development Fund	S$880
13	CapitaMalls Japan Fund	JPY44,133
14	CapitaMalls China Income Fund	U.S.$900
15	CapitaMalls China Development Fund II	S$900
16	CapitaMalls China Incubator Fund	U.S.$425
17	CapitaMalls China Development Fund III	U.S.$1,000

Notes:

(1) Funds structured JVs.

(2) Total fund size as at respective fund closing date.

Australand Property Group

Australand Property Group delivered net profit after tax of A$88.4 million (S$107.4 million)[1] for the half year ended 30 June 2013, a 1.4 per cent. decrease over the same period in 2012. Each of Australand's three operating divisions – Commercial & Industrial, Residential and Investment Property – made a solid contribution to the half year ended 30 June 2013 results which were underpinned by the A$2.3 billion (approximately S$2.8 billion) investment portfolio supporting the overall result. The portfolio continues to retain high quality tenants and has a long dated lease expiry profile. The completion of Rhodes F office building in Sydney in January 2013 is a high quality addition to the portfolio.

The Commercial & Industrial development division had a forward workload of 146,000 sqm as at 30 June 2013, with the majority of the facilities being developed expected to be completed in the second half of 2013. Investor appetite for prime well leased assets remains strong which is expected to underpin asset values in the medium term.

1 Based on AUD/SGD 1.214990 as of 30 June 2013

Australand's Residential division delivered lower earnings for the half year ended 30 June 2013 due to a reduced contribution from high margin land projects and a lower level of built form settlements. Nevertheless, sales activity for the period was up approximately 20 per cent. as compared to the first half of 2012 which has led to a significant increase in contracts on hand. As at 30 June 2013, Australand remains well positioned in the residential sector with the expected completion and settlement of approximately A$330 million of built form product before the end of 2013.

CapitaLand Vietnam

Notwithstanding the challenging market conditions, CapitaLand remains committed to the Vietnam market. Mulberry Lane, its project in Hanoi, achieved structural completion in October 2012 and is on track to complete by early 2014.

In Ho Chi Minh City, management of Somerset Vista Ho Chi Minh City, the 100-unit serviced residence within The Vista development in the prime residential precinct District 2, was awarded to Ascott in the fourth quarter of 2012 and the serviced residence opened in December 2012. Ascott was also awarded the management contract for Vista Residences, the 168-unit corporate leasing residential property within The Vista, which was available for lease from December 2012.

Phase 1 of PARCSpring, another project located in Ho Chi Minh's District 2 achieved structural completion in the first quarter of 2013, and is expected to be completed by end 2013.

Surbana Consultants

Following the restructuring of Surbana, the building consultancy business of Surbana Consultants is able to pursue growth plans independent of Surbana's residential development business. Surbana Consultants will seek to enter new sectors in Singapore and expand its presence in the key markets of China, Middle East, Southeast Asia, Africa and Latin America as part of its aim to achieve rapid growth and become a leading building and infrastructure consultancy in the region. As at 30 June 2013, CapitaLand owns 40.0 per cent. in Surbana Consultants.

StorHub

On 30 April 2013, CapitaLand announced that it had increased its interest in the StorHub self-storage business from 62 per cent. to 100 per cent. through an acquisition of a 38 per cent. interest in each of StorHub Holding Pte Ltd ("**SHPL**") and StorHub Management Pte Ltd ("**SMPL**"), such that both companies are now wholly owned subsidiaries of CapitaLand. SHPL is the holding company of a portfolio of self-storage facilities which comprises five storage facilities in Singapore, a self-storage facility in Guangzhou, China and another in Shanghai, China. SMPL is the management company of the business that provides self-storage space to third party users under the brand "StorHub" through the portfolio of SHPL and through third party facilities under management contracts. SMPL presently manages a total of nine facilities (seven from the portfolio of SHPL and two third party facilities under management contracts) with a total lettable area of approximately 325,096 sf.

The acquisition of the remaining interest in StorHub is part of CapitaLand's on-going business development and will give CapitaLand full control and flexibility to explore various options for its investment in StorHub to create and unlock shareholder value.

Portfolio Details

Portfolio details of the Group (excluding Australand) are updated as at 30 June 2013 where applicable.

Residential

Name	Location	Effective Stake	Approximate GFA	Total No. of Units	Tenure
		(%)	*(sqm.)*		*(years)*
Completed					
Singapore					
Urban Resort Condominium	Cairnhill Road	100	14,890	64	Freehold
The Wharf Residence . .	Tong Watt Road	100	27,168	186	999
China					
Beau Residences	Chancheng District, Foshan	100	47,086	648	70
The Riviera.	Chancheng District, Foshan	100	58,254	208	70
Riverside Ville	Chancheng District, Foshan	100	110,573 (Residential) 2,540 (Commercial)	758	70 (Residential) 40 (Commercial)
The Loft (Phase 1)	Qingyang District, Chengdu	56.3	190,528 (Residential) 1,383 (Commercial)	1,814	70 (Residential) 40 (Commercial)
The Pinnacle (Phase 1).	Pudong District, Shanghai	80	52,864 (Residential) 270 (Commercial)	539	70 (Residential) 40 (Commercial)
Beaufort (Phase 2)	Chaoyang District, Beijing	50	17,495	220	70
Japan					
The Parkhouse Shinjuku Tower	Shinjuku Ward, Tokyo	20	30,220 (including car park and M&E rooms)	298	Freehold
Vietnam					
The Vista	District 2, HCMC	80	190,074	850	Freehold)[(1)(2)]
United Kingdom					
25 Kensington Square[(3)]	Central London	33.3	239	1	Freehold

Notes:

(1) Including 100-unit serviced residence with 50-year leasehold.

(2) 50-year leasehold applicable to foreigners.

(3) Divested on 4 July 2013.

Name	Location	Effective Stake	Approximate GFA	Total No. of Units	Tenure	Expected Date of Completion	Approximate percentage of Completion
		(%)	*(sqm)*		*(years)*		*(%)*
Under Development							
Singapore							
Sky Habitat . . .	Bishan Street 15	65	58,786	509	99	2015	27
The Interlace . .	Alexandra Road/Depot Road	60	169,600	1,040	99	2013	95
d'Leedon	Leedon Heights/ King's Road/ Farrer Road	35	218,519	1,715	99	2014	62
The Nassim . .	Nassim Hill	100	15,942	55	Freehold	2014	38
China							
Imperial Bay . .	Gongshu District, Hangzhou	50	84,139 (Residential) 707 (Commercial)	462	70 (Residential) 40 (Commercial)	2014	76
Summit Residences (Plot 1)	Jiangbei District, Ningbo	50	10,830	38	70	2014	18
The Metropolis (Phase 1)	Huaqiao District, Kunshan	70	166,220	1,542	70	2014	81
The Paragon . .	Luwan District, Shanghai	99	75,353 (Residential) 3,085 (Commercial)	271	70 (Residential) 40 (Commercial)	2014	83
99 Hengshan Road.	Xuhui District, Shanghai	100	14,870	90	50	2014	39
Beaufort (Phase 3)	Chaoyang District Beijing	50	26,037	228	70	2013	65
Tianjin International Trade Centre . .	Hexi District, Tianjin	100	111,732 (Residential) 70,581 (Commercial)	1,305	50	2014	31
Dolce Vita (Phase 1)	Baiyun District, Guangzhou	47.5	128,387 (Residential) 1,800 (Commercial)	1,033	70 (Residential) 40 (Commercial)	2014	99
Dolce Vita (Phase 2)	Baiyun District, Guangzhou	47.5	36,507 (Residential) 3,200 (Commercial)	378	70 (Residential) 40 (Commercial)	2014	75
Dolce Vita (Phase 3)	Baiyun District, Guangzhou	47.5	28,400	124	70	2015	21
La Cite Foshan	Chancheng District, Foshan	100	72,459 (Residential) 8,802 (Commercial)	879	70 (Residential) 40 (Commercial)	2014	83

Name	Location	Effective Stake	Approximate GFA	Total No. of Units	Tenure	Expected Date of Completion	Approximate percentage of Completion
		(%)	*(sqm)*		*(years)*		*(%)*
The Loft (Phase 2)	Qingyang District, Chengdu	56.3	267,941	2,632	70	2013	95
The Lakeside (Phase 1)	Caidian District, Wuhan	100	89,048 (Residential) 3,707 (Commercial)	1,040	70 (Residential) 40 (Commercial)	2013	37
Japan							
The Parkhouse Nishi Azabu . .	Minato Ward, Tokyo	20	23,825 (estimated)	190	Freehold	2014	32
Vietnam							
Beau Rivage (Phase 1 of Thanh My Loi Site)	District 2, HCMC	30	190,826	962	Freehold(1)	2017	10
Mulberry Lane .	Ha Dong District, Hanoi	70	235,853	1,478	Freehold(1)	2014	78
PARCSpring (Phase 1)	District 2, HCMC	47.5	38,597	404	Freehold(1)	2013	52

Note:

(1) 50-year leasehold applicable to foreigners.

Name	Location	Effective Stake	Approximate GFA	Total No. of Units	Tenure
		(%)	*(sqm)*		*(years)*
Future Developments					
Singapore					
Site at Bishan Street 14	Bishan Street 14	75	55,016	700	99
Site at Marine Parade Road.	Marine Parade Road	100	9,986	124	Freehold
Site at Yio Chu Kang Road.	Yio Chu Kang Road	100	19,330	80	Freehold
Site at Coronation Road(1)	Coronation Road	100	37,441 (site area)	–	99
China					
The Metropolis (Phase 2 to 6)	Huaqiao District, Kunshan	70	410,070 (Residential) 73,683 (Commercial)	4,202	70 (Residential) 40 (Commercial)
The Pinnacle (Phase 2)	Pudong District, Shanghai	80	49,474 (Residential) 270 (Commercial)	398	70 (Residential) 40 (Commercial)
Hangzhou Hemu A26 Site	Gongshu District, Hangzhou	100	71,184	691	70
Beaufort (Phase 4)	Chaoyang District, Beijing	50	5,000	37	70

Name	Location	Effective Stake	Approximate GFA	Total No. of Units	Tenure
		(%)	*(sqm)*		*(years)*
Vermont Hills	Changping District, Beijing	80	255,274	771	70
Dolce Vita (Phase 4). . .	Baiyun District, Guangzhou	47.5	154,808	1,261	70
LFIE	Panyu District, Guangzhou	45.0	1,107,097 (Residential) 9,102 (Commercial)	8,977	70 (Residential) 40 (Commercial)
The Rivervale	Nansha District, Guangzhou	100	191,673 (Residential) 40,560 (Commercial)	2,027	70 (Residential) 40 (Commercial)
The Floravale	Pudong District, Shanghai	95	89,397 (Residential) 358 (Commercial)	1,044	70 (Residential) 40 (Commercial
Wanxiang II site.	Pudong District, Shanghai	95	69,545 (Residential) 15,656 (Commercial)	773	70 (Residential) 40 (Commercial)
The Lakeside (Phase 2).	Caidian District, Wuhan	100	127,272	1,464	70
Hanzhonglu (Plot 92)	Zhabei District, Shanghai	70	27,000 (Residential) 2,250 (Commercial)	120	70 (Residential) 40 (Commercial)
Vietnam					
Thanh My Loi Site (Phase 2).	District 2, HCMC	30	40,000 (estimated)	78 (includes 28 shop houses)	Freehold(2)
Mo Lao Site	Ha Dong District, Hanoi	35	198,400 (estimated)	1,300 (estimated)	Freehold(2)
Binh Chanh Site	Binh Chanh District, HCMC	65	75,000 (estimated)	800 (estimated)	Freehold(2)
PARCSpring (Phase 2).	District 2, HCMC	47.5	52,000 (estimated)	570	Freehold(2)

Notes:

(1) Tender awarded by URA on 24 June 2013.

(2) 50-year leasehold applicable to foreigners.

Commercial

Name	Location	Effective Stake	Approx. Total Net Lettable Area ("NLA")	Tenure
		(%)	*(sqm)*	*(years)*
Completed Projects				
OFFICE				
SINGAPORE				
PWC Building	Cross Street	30	33,080	99
CHINA				
Corporation Park	Sha Tin, Hong Kong	30	40,099	54
Innov Tower	Xuhui District, Shanghai	100	40,445	50
JAPAN				
Shinjuki Front Tower	Shinjuku Ward, Tokyo	20	92,092 (GFA)	Freehold
UNITED KINGDOM				
1 Derry Street[1].	Central London	33.3	3,020	Freehold
INDUSTRIAL[2]				
SINGAPORE				
Technopark @ Chai Chee	Chai Chee Road	100	104,703	60
25A Changi South Street 1	Changi South	100	3,497	30
15 Changi South Street 1.	Changi South	100	3,774	30
743 Lorong 5 Toa Payoh	Toa Payoh	100	6,955	60
615 Lorong 4 Toa Payoh	Toa Payoh	100	8,276	60
31 Admiralty Road	Admiralty Road	100	9,026	60
CHINA				
1, Huang Xing Road	Yangpu District, Shanghai	100	5,803	50
133, Jing Xi Road	Baiyun District, Shanghai	100	3,441	50
HELD THROUGH CAPITACOMMERCIAL TRUST				
CAR PARK				
SINGAPORE				
Golden Shoe Car Park	Market Street	32.1	4,257	99
OFFICE				
SINGAPORE				
Bugis Village.	Queen Street/Rochor Road/Victoria Street	32.1	11,293 (excluding outdoor refreshment area)	99
HSBC Building	Collyer Quay	32.1	18,624	999
Six Battery Road	Battery Road	32.1	45,808	999
Capital Tower	Robinson Road	32.1	68,836	99
One George Street	George Street	32.1	41,654	99

Name	Location	Effective Stake	Approx. Total Net Lettable Area ("NLA")	Tenure
		(%)	*(sqm)*	*(years)*
Wilkie Edge	Wilkie Road	32.1	13,986 (excluding serviced residences)	99
Twenty Anson	Anson Road	32.1	18,831	99

Notes:

(1) Divested on 4 July 2013.

(2) On 1 July 2013, CapitaLand acquired of 100% of the issued share capital of BSG Holdings Pte Ltd, which owns four self storage facilities located at (1) 14 Woodlands Loop, (2) 5 Bukit Batok Street 22, (3) 111 Defu Lane 10 and (4) 37 Tampines Street 92.

Name	Location	Effective Stake	Approximate GFA	Tenure
		(%)	*(sqm)*	*(years)*
Under Development				
SINGAPORE				
CapitaGreen	Market Street	62.8%	82,000	99
HOTEL				
CHINA				
The Paragon/ChangLe Lu Hotel .	Luwan District, Shanghai	99%	71,480 (above ground)	50

Name	Location	Effective Stake	Approx. Operational NLA	Tenure
		(%)	*(sqm)*	*(years)*
Completed Projects				
CHINA				
CapitaMall Aidemengdun . . .	Daoli District, Harbin	29.4	28,645	Expiring in September 2042
CapitaMall Beiguan.	Beiguan District, Anyang	29.4	26,092	Expiring in March 2046
CapitaMall Chengnanyuan . .	Qingyunpu District, Nanchang	29.4	37,320	Expiring in February 2045
CapitaMall Crystal	Haidian District, Beijing	29.4	38,771	Commercial: Expiring in January 2043 Underground Car Park: Expiring in January 2053
CapitaMall Cuiwei	Haidian District, Beijing	29.4	35,990	Commercial: Expiring in May 2046 Underground Car Park: Expiring in May 2056
CapitaMall Deyang	Jingyang District, Deyang	29.4	30,880	Expiring in November 2045
CapitaMall Dongguan	Nancheng District, Dongguan	29.4	32,929	Expiring in January 2055
CapitaMall Fucheng	Fucheng District, Mianyang	29.4	34,717	Expiring in September 2044

Name	Location	Effective Stake	Approx. Operational NLA	Tenure
		(%)	*(sqm)*	*(years)*
CapitaMall Guicheng	Nanhai District, Foshan	47.7	36,718	Expiring in August 2044
CapitaMall Hongqi	Hongqi District, Xinxiang	29.4	25,779	Expiring in November 2045
CapitaMall Jinniu	Jinniu District, Chengdu	29.4	48,119	Expiring in October 2044
CapitaMall Jinshui	Jinshui District Zhengzhou	19.6	36,456	Expiring in July 2045
CapitaMall Jiulongpo.	Juilongpo District, Chongqing	47.7	39,078	Expiring in October 2042
CapitaMall Kunshan	Yushan Town, Kunshan	29.4	27,550	Expiring in May 2045
CapitaMall Maoming	Maonan District, Maoming	47.7	28,393	Expiring in November 2044
CapitaMall Meilicheng	Chenghua District, Chengdu	32.7	61,182	Expiring in August 2044
CapitaMall Nan'an	Cuiping District, Yibin	29.4	28,086	Expiring in May 2045
CapitaMall Peace Plaza. . . .	Shahekou District, Dalian	19.6	105,972	Expiring in November 2035
CapitaMall Quanzhou	Licheng District, Quanzhou	29.4	30,437	Expiring in February 2045
CapitaMall Rizhao	Donggang District, Rizhao	19.6	42,358	Expiring in November 2043
CapitaMall Shapingba	Shapingba District, Chongqing	19.6	27,472	Master Lease expiring in December 2023
CapitaMall Shawan.	Jinniu District, Chengdu	19.6	26,751	Commercial: Expiring in January 2046 Underground carpark: Expiring in January 2076
CapitaMall Taiyanggong. . . .	Chaoyang District, Beijing	29.4	43,115	Expiring in August 2044
CapitaMall Taohualun	Heshan District, Yiyang	29.4	23,396	Expiring in June 2045
CapitaMall TianjinOne	Hexi District, Tianjin	19.6	41,607	Expiring in September 2054
CapitaMall Weifang.	Gaoxin District, Weifang	29.4	37,285	Expiring in October 2044
CapitaMall Wusheng	Qiaokou District, Wuhan	29.4	46,391	Expiring in June 2044
CapitaMall Xindicheng.	Yanta District, Xi'an	29.4	34,857	Expiring in December 2043
CapitaMall Xuefu	Nangang District, Harbin	29.4	57,609	Expiring in December 2045
CapitaMall Yangzhou	Weiyang District, Yangzhou	29.4	36,581	Expiring in July 2039/ April 2045
CapitaMall Yuhuating	Yuhua District, Changsha	47.7	47,411	Expiring in March 2044
CapitaMall Zhangzhou.	Xiangcheng District, Zhangzhou	47.7	31,082	Expiring in December 2043

Name	Location	Effective Stake	Approx. Operational NLA	Tenure
		(%)	(sqm)	(years)
CapitaMall Zhanjiang	Chikan District, Zhanjiang	29.4	33,371	Expiring in December 2044
CapitaMall Zhaoqing	Duanzhou District, Zhaoqing	29.4	32,917	Expiring in May 2055
CapitaMall Zibo	Zhangdian District, Zibo	29.4	31,124	Expiring in March 2045
Hongkou Plaza	Hongkou District, Shanghai	47.4	143,793	Expiring in September 2057
Minhang Plaza	Minhang District, Shanghai	42.5	111,176	Expiring in December 2053
SINGAPORE				
The Star Vista	One Vista Xchange Green	65.4	15,244	60 years, expiring in October 2067
MALAYSIA				
Queensbay Mall (approximately 91.8% of aggregate retail floor area and 100% of the car park bays)	Bayan Lepas, Penang	65.4	82,396	Freehold
JAPAN				
Chitose Mall	Chitose-shi, Hokkaido	17.2	14,980	Freehold
Coop Kobe Nishinomiya-Higashi	Nishinomiya-shi, Hyogo	65.4	7,970	Freehold
Ito Yokado Eniwa	Eniwa-shi, Hokkaido	17.2	14,843	Freehold
Izumiya Hirakata	Hirakata-shi, Osaka	65.4	20,044	Freehold
La Park Mizue	Mizue, Edogawa-ku, Tokyo	65.4	18,914	Freehold
Narashino Shopping Centre .	Funabashi-shi, Chiba	17.2	10,737	Freehold
Olinas Mall	Taihei Sumidaku, Tokyo	65.4	35,400	Freehold
Vivit Minami-Funabashi	Funabashi-shi, Chiba	17.2	50,056	Freehold
INDIA				
Forum Value Mall	Whitefield, Bangalore	10.4	27,059	Freehold
The Celebration Mall	Bhuwana Phase-II Scheme, National Highway 8, Udaipur	29.7	32,727	99 years, expiring in May 2103

Projects Under Development

Name	Location	Effective Stake	Approx. GFA	Tenure
		(%)	*(sqm)*	*(years)*
CHINA				
CapitaMall 1818 (to be completed in 2014) . .	Wuchang District, Wuhan	32.7	70,683	Expiring in September 2052
CapitaMall Fucheng (Phase II) (to be completed in 2014).	Fucheng District, Mianyang	29.4	42,111	Expiring in June 2047
CapitaMall Jinniu (Phase II) (to be completed in 2013) . .	Jinniu District, Chengdu	29.4	94,085	Expiring in October 2044
CapitaMall Tianfu (mall to be completed in 2014)	Gaoxin District, Chengdu	32.7	197,064	Expiring in February 2048
CapitaMall Tiangongyuan (to be completed in 2015) . .	Daxing District, Beijing	65.4	122,000	Expiring in January 2051
CapitaMall Xinduxin (to be completed in 2016) . .	Shibei District, Qingdao	32.7	89,732	Expiring in November 2051/ September 2052
Mall in Gutian (to be completed in 2016)[1] .	Qiaokou District, Wuhan	65.4	245,000	Expiring in 2052
Luwan Integrated Development (mall to be completed in 2016).	Luwan District, Shanghai	21.6	127,750	Expiring in July 2056
Suzhou Integrated Development (mall to be completed in 2017)	Suzhou Industrial Park, Suzhou	32.7	350,000	Commercial: Expiring in December 2051 Underground Car Park: Expiring in December 2051
MALAYSIA				
Mall in Taman Melawati (to be completed in 2016) . .	Bandar Ulu Kelang, Daerah Gombak, Negeri Selangor	32.7	90,004	Freehold
INDIA				
Mall in Kochi (to be completed in 2016).	Ernakulam District, Kochi	7.4	99,406	Freehold
Graphite India (to be completed in 2015).	Whitefield, Bangalore	14.6	97,732	Freehold
Mall in Hyderabad (to be completed in 2014) . .	Kukatpally, Hyderabad	7.3	80,387	Freehold
Mall in Jalandhar (to be completed in 2015) . .	Paragpur Village, Jalandhar	19.3	57,043	Freehold
Mall in Mangalore (to be completed in 2013) . .	Pandeshwar Road, Mangalore	9.9	63,814	Freehold
Mall in Mysore (to be completed in 2014) . .	Abba Road/Hyder Ali Road, Mysore	14.6	33,417	Freehold
Mall in Nagpur (to be completed in 2016) . .	Umrer Road, Nagpur	19.3	94,761	Freehold

Note:

(1) Acquired by CMA on 15 January 2013.

Name	Location	Effective Stake	Approx. Operational NLA	Tenure
		(%)	*(sqm)*	*(years)*
Held through CapitaRetail China Trust (Property details as at 30 June 2013)				
Completed Projects				
CHINA				
CapitaMall Anzhen . . .	Chaoyang District, Beijing	16.5	43,443	Expiring in October 2034/March 2042/June 2042
CapitaMall Erqi	Erqi District, Zhengzhou	16.5	92,356	Expiring in May 2042
CapitaMall Minzhongleyuan.	Jianghan District, Wuhan	16.5	22,659	Annex Building: Expiring in September 2045 Conserved Building: Master Lease expiring in June 2044
CapitaMall Qibao	Minhang District, Shanghai	16.5	50,811	Master Lease expiring in January 2024
CapitaMall Saihan . . .	Saihan District, Huhhot	16.5	30,793	Expiring in March 2041
CapitaMall Shuangjing.	Chaoyang District, Beijing	16.5	49,463	Expiring in July 2042
CapitaMall Wangjing . .	Chaoyang District, Beijing	16.5	55,829	Commercial: Expiring in May 2043 Underground carpark: Expiring in May 2053
CapitaMall Wuhu	Jinghu District, Wuhu	22.8	37,165	Expiring in May 2044
CapitaMall Xizhimen . .	Xicheng District, Beijing	16.5	51,913	Underground commercial and retail use: Expiring in August 2044 Integrated use: Expiring in August 2054
Held through CapitaMall Trust (Property details as at 30 June 2013)				
Completed Projects				
SINGAPORE				
Bugis†	Victoria Street	18	19,926	60 years, expiring in September 2065
Bugis Junction.	Victoria Street	18	36,602	99 years, expiring in September 2089
Bukit Panjang Plaza . .	Jelebu Road	18	14,135	99 years, expiring in November 2093
Clarke Quay	River Valley Road	18	27,043	99 years, expiring in January 2089
Funan DigitaLife Mall .	North Bridge Road	18	27,747	99 years, expiring in December 2078
IMM Building.	Jurong East	18	88,158	60 years, expiring in January 2049
JCube	Jurong East	18	19,549	99 years, expiring in February 2090
Junction 8	Bishan	18	23,427	99 years, expiring in August 2090

Name	Location	Effective Stake	Approx. Operational NLA	Tenure
		(%)	(sqm)	(years)
Lot One Shoppers' Mall	Choa Chu Kang	18	20,424	99 years, expiring in November 2092
Plaza Singapura	Orchard Road	18	44,791	Freehold
Rivervale Mall	Rivervale Crescent	18	7,540	99 years, expiring in December 2096
Sembawang Shopping Centre.	Sembawang Road	18	12,321	999 years, expiring in March 2884
Tampines Mall	Tampines Central	18	30,621	99 years, expiring in August 2091
The Atrium@Orchard .	Orchard Road	18	36,145	99 years, expiring in August 2107
Held through CapitaMalls Malaysia Trust (Property details as at 30 June 2013)				
Completed Projects				
MALAYSIA				
East Coast Mall	Putra Square, Kuantan	23.5	40,531	99 years, expiring in December 2106
Gurney Plaza	Persiaran Gurney, Penang	23.5	79,313	Freehold
The Mines	Jalan Dulang, Selangor	23.5	66,727	99 years, expiring in March 2091
Sungei Wang Plaza (approximately 61.9% of aggregate retail floor area and 100% of the car park bays) . . .	Jalan Sultan Ismail, Kuala Lumpur	23.5	41,661	Freehold

Serviced Residences

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	(sqm)		(years)
AUSTRALIA					
Citadines on Bourke Melbourne .	Bourke Street, Melbourne	100%	28,427	380	Freehold
Somerset on Elizabeth Melbourne.	Elizabeth Street, Melbourne	100%	1,872	34	Freehold
CHINA					
Ascott Beijing	Chaoyang District, Beijing	36.1%	66,417	244	70
Citadines Central Xi'an	Beilin District, Xi'an	36.1%	12,998	162	70 (Residential) 40 (Commercial)
Citadines Gaoxin Xi'an	Hi-Tech Zone, Xi'an	36.1%	24,303	251	50
Citadines Zhuankou Wuhan	Economic & Technological Development Zone, Wuhan	36.1%	21,650	249	40
Somerset Garden City Shenzhen	Nanshan District, Shenzhen	36.1%	17,379	147	70

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	(sqm)		(years)
Somerset International Building Tianjin . . .	Heping District, Tianjin	36.1%	52,726	105	50
Somerset Jie Fang Bei Chongqing	Yuzhong District, Chongqing	36.1%	21,494	157	40
Somerset Riverview Chengdu	Wuhou District, Chengdu	36.1%	30,455	200	50
Somerset Youyi Tianjin	Hexi District, Tianijn	36.1%	31,031	250	50
Somerset ZhongGuanCun Beijing	Haidian District, Beijing	100%	19,975	154	70 (Residential) 50 (Commercial) 40 (Retail)
FRANCE					
Ascott Arc de Triomphe Paris . . .	Avenue Kleber, Paris	100%	9,700	106	Freehold
GERMANY					
Citadines City Centre Frankfurt (under construction)	Europa-Boulevard, Frankfurt	100%	8,104	165	Freehold
Citadines Michel Hamburg (under construction)	Ludwig-Erhad-Straβe, Hamburg	100%	6,725	128	99
INDIA					
Citadines Galleria Bangalore (under construction)	Yelanhanka, Bangalore	50%	13,935	203	Freehold
Citadines Hitec City Hyderabad (under construction)	Hitec City, Hyderabad	100%	10,388	218	Freehold
Citadines OMR Gateway Chennai (under construction)	Old Mahabalipuram Road, Chennai	100%	18,649	268	Freehold
Citadines Parimal Garden Ahmedabad (under construction)	Central Business District, Ahmedabad	100%	9,118	220	Freehold
Somerset Greenways Chennai	Sathyadev Avenue, Chennai	64.4%	21,933	187	Freehold
Somerset Whitefield Bangalore (under construction)	Whitefield, Bangalore	100%	19,021	280	Freehold

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	*(sqm)*		*(years)*
JAPAN CORPORATE LEASING					
Infini Garden	Hamao District, Fukuoka	30.0%	36,770	395	Freehold
Kasahokomachi . . .	Shimogyo-ward, Kyoto	88.9%	5,699	191	Freehold
Marunouchi Central Heights.	Naka-ward, Nagoya	88.9%	1,937	31	Freehold
S-Residence Fukushima Luxe. . .	Fukushima-ward, Osaka	18.9%	6,568	179	Freehold
S-Residence Gakuenzaka	Naniwa-ward, Osaka	88.9%	2,822	58	Freehold
S-Residence Hommachi Marks . .	Chuo-ward, Osaka	18.9%	3,680	110	Freehold
S-Residence Midoribashi Serio . .	Higashinari-ward, Osaka	18.9%	2,904	100	Freehold
S-Residence Namba Viale	Naniwa-ward, Osaka	88.9%	3,522	116	Freehold
S-Residence Shukugawa	Hyogo, Kobe	88.9%	3,189	33	Freehold
S-Residence Tanimachi 9 chome.	Tennoji-ward, Osaka	18.9%	3,171	104	Freehold
MALAYSIA					
Ascott Kuala Lumpur.	Jalan Pinang, Kuala Lumpur	50%	36,206	221	Freehold
Somerset Ampang Kuala Lumpur	Jalan Ampang, Kuala Lumpur	100%	18,847	207	Freehold
Seri Bukit Ceylon Residences	Lorong Ceylon, Kuala Lumpur	100%	3,604	48	Freehold
THAILAND					
Ascott Sathorn Bangkok	South Sathorn Road, Bangkok	40%	45,361	177	50
Citadines Sukhumvit 8 Bangkok	Sukhumvit 8, Bangkok	49%	8,505	130	Freehold
Citadines Sukhumvit 11 Bangkok	Sukhumvit 11, Bangkok	49%	8,215	127	Freehold
Citadines Sukhumvit 16 Bangkok	Sukhumvit 16, Bangkok	49%	5,415	79	Freehold
Citadines Sukhumvit 23 Bangkok	Sukhumvit 23, Bangkok	49%	8,693	138	Freehold
UNITED KINGDOM					
The Cavendish London	St James, London	100%	15,360	230	65

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	(sqm)		(years)
VIETNAM					
Somerset Central TD Hai Phong City (under construction)	Ngo Quyen District, Hai Phong City	90%	14,531	132	65
Held through Ascott Residence Trust (Property details as at 30 June 2013)					
AUSTRALIA					
Somerset St Georges Terrace Perth	St Georges Terrace, Perth	45%	6,000	84	Freehold
BELGIUM					
Citadines Sainte-Catherine Brussels .	Quai au Bois a Bruler, Brussels	45%	10,055	169	Freehold
Citadines Toison d'Or Brussels.	Avenue de la Toison d'Or, Brussels	45%	12,752	154	Freehold
CHINA					
Ascott Guangzhou .	Tianhe District, Guangzhou	45%	19,797	208	70
Citadines Biyun Shanghai	Jinqiao Export Processing Zone, Shanghai	45%	15,877	180	70
Citadines Xinghai Suzhou.	Suzhou Industrial Park, Suzhou	45%	10,166	167	70 (Residential) 50 (Commercial) 40 (Retail)
Somerset Grand Fortune Garden Property Beijing . . .	Chaoyang District, Beijing	45%	15,780	81	70
Somerset Heping Shenyang	Heping District, Shenyang	45%	33,031	270	40
Somerset Xu Hui Shanghai	Xu Hui District, Shanghai	45%	21,014	167	70
Somerset Olympic Tower Property Tianjin	Heping District, Tianjin	45%	32,946	185	70
FRANCE					
Citadines Croisette Cannes.	Rue le Poussin, Cannes	45%	3,311	58	Freehold
Citadines City Centre Grenoble. . .	Rue de Strasbourg, Grenoble	45%	7,872	106	Freehold
Citadines City Centre Lille	Avenue Willy Brandt-Euralille, Lille	45%	6,995	101	Freehold
Citadines Presqu'île Lyon.	Rue Thomassin, Lyon	45%	6,699	116	Freehold

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	*(sqm)*		*(years)*
Citadines Castellane Marseille	Rue de Rouet, Marseille	45%	5,877	97	Freehold
Citadines Prado Chanot Marseille . .	Boulevard de Louvain, Marseille	45%	5390	77	Freehold
Citadines Antigone Montpellier	Boulevard d'Antigone, Montpellier	45%	8,914	122	Freehold
Citadines Suites Louvre Paris	Rue de Richelieu, Paris	45%	3,663	51	Freehold
Citadines Austerlitz Paris	Rue Esquirol, Paris	45%	1,859	50	Freehold
Citadines Prestige Les Halles Paris. . .	Rue des Innocents, Paris	45%	10,648	189	Freehold
Citadines Montmartre Paris . .	Avenue Rachel, Paris	45%	7,989	111	Freehold
Citadines Montparnasse Paris	Avenue du Maine, Paris	45%	3,004	67	Freehold
Citadines Place d'Italie Paris	Place d'Italie, Paris	45%	8,003	169	Freehold
Citadines Porte de Versailles Paris . . .	Rue Didot, Paris	45%	4,618	80	Freehold
Citadines République Paris . .	Avenue Parmentier, Paris	45%	6,857	76	Freehold
Citadines Tour Eiffel Paris	Boulevard de Grenelle, Paris	45%	8,715	104	Freehold
Citadines Trocadero Paris	Rue Saint-Didier, Paris	45%	9,725	97	Freehold
GERMANY					
Citadines Kurfürstendamm Berlin	Olivaer Platz, Berlin	45%	6,794	118	Freehold
Citadines Arnulfpark Munich	Arnulfstrasse, Munich	44.6%	8,303	146	Freehold
Madison Hamburg .	Schaarteinweg, Hamburg	45%	19,285 (NLA)	166	Freehold
INDONESIA					
Ascott Jakarta	Jalan Kebon Kacang Raya, Jakarta	44.6%	55,775	198	26
Somerset Grand Citra Jakarta	Jalan Prof Dr Satrio Kav 1, Jakarta	25.7%	30,072	203	30
JAPAN					
Citadines Karasuma-Gojo Kyoto	Shimogyo-ku, Kyoto	67%	4,835	124	Freehold
Citadines Shinjuku Tokyo	Shinjuku-ku, Tokyo	67%	6,197	160	Freehold

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	*(sqm)*		*(years)*
Somerset Azabu East Tokyo	Minato-ku, Tokyo	45%	5,896	79	Freehold
JAPAN CORPORATE LEASING					
Actus Hakata V-Tower	Hakata-ward, Fukuoka	40%	9,248	296	Freehold
Asyl Court Nakano Sakaue Tokyo	Nakano-ku, Tokyo	45%	1,805	62	Freehold
Big Palace Kita 14 Jo	Kita-ward, Sapporo	40%	5,896	140	Freehold
Gala Hachimanyama I Tokyo	Suginami-ku, Tokyo	45%	2,556	76	Freehold
Gala Hachimanyama II Tokyo	Suginami-ku, Tokyo	45%	474	16	Freehold
Grand E'terna Chioninmae	Higashiyama-ward, Kyoto	40%	1,049	17	Freehold
Grand E'terna Sagaidaidori	Nabeshima, Saga	40%	1,507	46	Freehold
Grand E'terna Nijojomae	Nakagyo-ward, Kyoto	40%	1,736	47	Freehold
Grand E'terna Saga	Honjocho, Saga	40%	4,973	123	Freehold
Grand Mire Miyamachi.	Aoba-ward, Sendai	40%	2,306	91	Freehold
Grand Mire Shintera	Wakabayashi-ward, Sendai	40%	1,711	59	Freehold
Gravis Court Kakomachi	Naka-ward, Hiroshima	40%	2,270	63	Freehold
Gravis Court Kokutaiji	Naka-ward, Hiroshima	40%	1,659	48	Freehold
Gravis Court Nishiharaekimae. . .	Asaminami-ward, Hiroshima	40%	1,151	29	Freehold
Joy City Koishikawa Shokubutsuen Tokyo	Bunkyo-ku, Tokyo	45%	1,281	36	Freehold
Joy City Kuramae Tokyo	Taito-ku, Tokyo	45%	1,970	60	Freehold
Roppongi Residences Tokyo .	Minato-ku, Tokyo	45%	4,422	64	Freehold
Zesty Akebonobashi Tokyo	Shinjuku-ku, Tokyo	45%	375	12	Freehold
Zesty Gotokuji Tokyo	Setagaya-ku, Tokyo	45%	420	15	Freehold
Zesty Higashi Shinjuku Tokyo. . . .	Shinjuku-ku, Tokyo	45%	515	19	Freehold
Zesty Kagurazaka I Tokyo	Shinjuku-ku, Tokyo	45%	469	20	Freehold

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	(sqm)		(years)
Zesty Kagurazaka II Tokyo	Shinjuku-ku, Tokyo	45%	533	20	Freehold
Zesty Kasugacho Tokyo	Nerima-ku, Tokyo	45%	922	32	Freehold
Zesty Koishikawa Tokyo	Bunkyo-ku, Tokyo	45%	385	15	Freehold
Zesty Komazawa Daigaku II Tokyo . .	Merguro-ku, Tokyo	45%	1,054	29	Freehold
Zesty Nishi Shinjuku III Tokyo. .	Shinjuku-ku, Tokyo	45%	915	29	Freehold
Zesty Sakura Shinmachi Tokyo . .	Setagaya-ku, Tokyo	45%	619	17	Freehold
Zesty Shin Ekoda Tokyo	Nerima-ku, Tokyo	45%	526	18	Freehold
Zesty Shoin Jinja Tokyo	Setagaya-ku, Tokyo	45%	471	16	Freehold
Zesty Shoin Jinja II Tokyo	Setagaya-ku, Tokyo	45%	629	17	Freehold
PHILIPPINES					
Ascott Makati.	Ayala Centre, Makati City	45%	55,255	306	48
Somerset Millennium Makati. .	Legaspi Village, Makati City	45%	11,165	151	Freehold
Salcedo Residences Makati .	Salcedo Village, Makati City	45%	5,901 (NLA)	71	Freehold
SINGAPORE					
Ascott Raffles Place Singapore. . .	Finlayson Green, Singapore	45%	15,694	146	999
Citadines Mount Sophia Property Singapore	Wilkie Road, Singapore	45%	9,370	154	99
Somerset Liang Court Property Singapore	River Valley Road, Singapore	45%	27,155	197	97
SPAIN					
Citadines Ramblas Barcelona	Ramblas District, Barcelona	45%	12,323	131	Freehold
UNITED KINGDOM					
Citadines Barbican London	Goswell Road, London	45%	7,263	129	Freehold
Citadines Prestige South Kensington London	Gloucester Road, London	45%	6,657	92	Freehold
Citadines Prestige Trafalgar Square London	Northumberland Avenue, London	45%	10,903	187	Freehold

Name	Location	Effective Stake	Approx. GFA	No. of Units	Tenure
		(%)	*(sqm)*		*(years)*
Citadines Prestige Holborn-Covent Garden London . . .	High Holborn, London	45%	10,576	192	Freehold
VIETNAM					
Somerset Hoa Binh Hanoi	Hoang Quoc Viet Street, Hanoi	40.5%	23,845	206	40
Somerset Grand Hanoi	Hai Ba Trung Street, Hanoi	34.2%	44,048	185	45
Somerset West Lake Hanoi	Thuy Khue Road, Hanoi	31.5%	8,474	90	49
Somerset Chancellor Court Ho Chi Minh City . .	Nguyen Thi Minh Khai Street, Ho Chi Minh City	30.2%	26,782	172	48
Somerset Ho Chi Minh City	Nguyen Binh Khiem Street, Ho Chi Minh City	31.1%	25,207	165	45

Mixed Developments

Name	Location	Effective Stake	Approx. GFA	Tenure
		(%)	*(sqm)*	*(years)*
Completed Projects				
CHINA				
Raffles City Beijing . . .	Dongcheng District, Beijing	49.8	110,996	40 (Retail) 50 (Integrated Use)
Raffles City Shanghai .	Huangpu District, Shanghai	27.8	139,593	50
Raffles City Ningbo. . .	Jiangbei District, Ningbo	49.8	99,913	40
SINGAPORE				
Raffles City Singapore.	North Bridge Road/ Stamford Road/ Bras Basah Road	26.4	320,490	99 years, expiring in July 2078
The Orchard Residences	Orchard Road	32.7	38,243	99 years, expiring in March 2105
ION Orchard	Orchard Road	32.7	87,727	99 years, expiring in March 2105
UNITED KINGDOM				
99-121 Kensington High Street[(1)]	Central London	33.3	35,600	Freehold
Under Development				
CHINA				
Raffles City Changning	Changning District, Shanghai	36.9	253,928	50
Raffles City Chengdu .	Wuhou District, Chengdu	49.8	240,928	40
Raffles City Hangzhou.	Qianjiang New Town, Hangzhou	49.8	300,894	40

Name	Location	Effective Stake	Approx. GFA	Tenure
		(%)	*(sqm)*	*(years)*
Raffles City Shenzhen .	Nanshan District, Shenzhen	73.0	235,522	50
Raffles City Chongqing	Yuzhong District, Chongqing	51.7	817,000	70 (Residential) 40 (Commercial)
SINGAPORE				
Westgate & Westgate Tower (mall to be completed in 2013). . .	Boon Lay Way	58.1	90,770	99 years, expiring in August 2110
ION Orchard Link (to be completed in 2014).	Orchard Road	32.7	450	99 years, expiring in March 2105
Bedok Mall & Bedok Residences (mall to be completed in 2013). . .	New Upper Changi Road/Bedok North Drive	82.7	94,340	99 years, expiring in November 2110
Future Developments				
SINGAPORE				
Cairnhill Redevelopment Project	Cairnhill Road	100	24,882 (Residential) 17,333 (Serviced Residence)	99
CHINA				
Hanzhonglu (Plot 95) .	Zhabei District, Shanghai	70	75,000 (above ground)	50 (Office) 40 (Retail)

Note:

(1) Divested on 4 July 2013.

Other Business Matters

Construction

The Group does not itself construct its property developments but generally contracts out the construction of its properties to local and international contractors. Each development project is tendered by the relevant business unit to local and international contractors with the necessary financial capabilities, resources and track records. CapitaLand provides guidance on the criteria for selection. To date, the Group has not experienced difficulties in procuring such services.

Competition

Property Businesses

In Singapore, the Group competes with other real estate companies to attract and retain commercial tenants and to find purchasers for residential properties. The Group considers its major competitors in Singapore to be publicly-listed real estate companies in Singapore as well as certain international real estate developers and private real estate companies. In the commercial property market, the Group competes on the basis of the location of its commercial properties and the quality of its service offerings. In the residential property market, the Group competes on the basis of the quality and design of its developments. The Group has focused principally on developing prime or centrally located residential properties and selected suburban properties located near transportation and other facilities.

While the Group is one of the major real estate companies in Singapore, the real estate market is expected to remain highly competitive. The Group's real estate business is dependent, in part, on the availability of land suitable for development by the Group.

Real Estate Fund Management

The Group's real estate fund management business competes for investors in a highly competitive industry. Competitive factors include the performance track record of the business, the track record of the individuals who form the management team, the ability to source good deals and execute them, and the ability to meet or exceed investors' expectations.

Serviced Residences

The Group's serviced residence business competes for guests in the highly competitive lodging industry in the countries in which they operate. Competitive factors include room rates, quality of accommodation, service levels and the convenience of the location of each serviced residence. Competitive conditions may also be affected by changes in the economic conditions, local market conditions and the prevailing supply of serviced residence space in the relevant markets.

Overseas

The Group's overseas real estate businesses compete with both domestic and international companies. Some of these companies have significant financial resources, marketing and other capabilities. The domestic companies in the overseas markets have extensive knowledge of the local real estate and serviced residence markets and longer operational track records in their respective domestic markets. The international companies are able to capitalise on their overseas experience to compete in the markets in which the Group has an overseas presence.

Enterprise Risk Management

CapitaLand adopts an Enterprise Risk Management ("**ERM**") framework to manage risks in an integrated, systematic and consistent manner. The foundation of the ERM framework is a risk-aware culture that CapitaLand aims to inculcate so that prudent risk-taking is embedded in decision-making and business processes. The framework is reinforced by a robust internal control system and an effective and independent review and audit process overseen by the Internal Audit and Operations Compliance Unit functions. In addition, an Enterprise Risk Management Committee ("**ERMC**"), which comprises key management personnel at the Group level, directs and monitors the development, implementation and practice of ERM across the Group. The ERMC reports through the President and Group CEO to the Risk Committee which assists the Board of Directors in providing oversight of risk management at Board level. The Risk Committee is in turn assisted by the Risk Assessment Group, an independent in-house unit which evaluates the risk profile of potential investments and assists in the formulation of the risk strategy for the Group.

Employees

As at 30 June 2013, the Group had approximately 10,820 employees. The Group believes its employees are critical to its success and is committed to investing in the development of its employees through continuing education, and structured training, as well as the creation of opportunities for career growth.

Intellectual Property

CapitaLand relies on a combination of trade marks and domain name registrations, copyright protection and contractual arrangements to protect its brand name and logos, marketing designs and internet domain names. CapitaLand and the companies within the Group are the proprietors of trade mark registrations and the applicants of pending trade mark applications in various countries around the world for the marks used in the course of business including "CapitaLand", "凯德", "CapitaLand Icon", "Raffles City", "CapitaMalls Asia", "CapitaMall", "CapitaRetail", "CapitaCommercial", "Capita", "CapitaCard", "CapitaLand Hope Foundation", "CapitaLand ILEC", "CLIMB", "CapitaRetail China Trust", "Capitafrog", "ICE", "Ascott", "Somerset", "Citadines", "CapitaValue Homes" and "CapitaStar".

Insurance

The Group is covered by insurance policies arranged with reputable insurance intermediaries which cover risks such as loss of rental, fire, flood, riot, strike, malicious damage, other material damage to property and development sites, business interruption, public liability and professional indemnity. The Group believes that it has adequate insurance coverage provided by reputable independent insurance companies, with coverage and financial limits that are commercially reasonable and appropriate for a group of its size and activities in the property business. Notwithstanding the Group's insurance coverage, damage to its facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, power loss, communications failure, intentional unlawful act, human error or natural disaster could nevertheless have a material adverse effect on its financial condition and results of operations to the extent that such occurrences disrupt the normal operation of its businesses.

Corporate Social Responsibility

CapitaLand is ranked in the Global 100 Most Sustainable Corporations in the World, and listed in the Sustainability Yearbook 2013 and Dow Jones Sustainability World Index 2012/2013. It was named the Asian Sector Leader in the Global Real Estate Sustainability Benchmark Report 2012.

In 2012, CapitaLand won the ASEAN Award for Most Admired Enterprise for CSR (Large Company), Outstanding Corporate Citizen in China by Corporate Citizen Committee of China Social Workers and the Best Community Developer Award by Singapore Compact. The BCA also accorded CapitaLand the Green Mark Champion Award in 2012 and Quality Mark Champion (Gold) in 2013. Recently, CapitaLand was conferred the 2013 Environmental Tracking Carbon Ranking Leader Award, the only Singapore real estate developer to have achieved top 10 in the carbon ranking in Asia Pacific.

CapitaLand has been reporting on its sustainability performance across its global portfolio in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines even before the Singapore Stock Exchange issued sustainability reporting guidelines for listed companies in June 2011.

Some performance highlights in 2012 include:

Environment

- 16 per cent. reduction in carbon emission intensity since 2008;
- 11.7 per cent. and 16.1 per cent. reduction in energy and water consumption respectively since 2008;
- in excess of S$35 million in cost avoidance for utilities since 2009; and

- achieved ISO 14001 certification for its environmental management system in 15 countries where the Group has investment properties.

Community Development

- more than S$4 million donated by CapitaLand Hope Foundation in 2012, with a total of close to S$20 million in donations since 2005; and

- CapitaLand staff volunteered over 19,000 hours during working days across Asia to support charitable causes.

Environmental Matters and Compliance

The operations of the Group are subject to regulatory requirements and potential liabilities arising under applicable environmental laws and regulations. CapitaLand believes that each member of the Group is in compliance in all material respects with applicable environmental regulations in Singapore and the other jurisdictions in which it operates. To date, there are no known cases of environmental non-compliance involving the Group. CapitaLand is not aware of any environmental proceedings or investigations to which it is, or might become, a party.

Legal Proceedings

Neither CapitaLand nor any of its subsidiaries is a party to any litigation, arbitration or administrative proceedings which CapitaLand believes would, individually or taken as a whole, have a material adverse effect on the business, financial condition or results of operations of the Group, and, so far as CapitaLand is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

CAPITALISATION AND INDEBTEDNESS

Capitalisation of the Guarantor

As at 30 June 2013, CapitaLand had an issued and paid-up share capital of S$6.3 billion consisting of 4,257,454,635 ordinary shares (excluding treasury shares).

The table below sets forth the consolidated capitalisation of CapitaLand as at 30 June 2013. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

	As at 30 June 2013
	(S$'000)
Short-Term Borrowings (repayable within one year)	
Short-term bank borrowings	1,104,299
Current portion of debt securities	596,590
Total short-term borrowings	1,700,889
Long-Term Borrowings (repayable after one year)	
Bank borrowings	6,406,486
Debt securities	6,108,162
Total long-term borrowings	12,514,648
Total Borrowings	14,215,537
Total Equity	
Issued and fully paid capital	6,302,126
Reserves	9,387,323
Equity attributable to equity holders of CapitaLand	15,689,449
Non-controlling Interests	4,319,858
Total capitalisation(1)	20,009,307
Total capitalisation and indebtedness	34,224,844

Note:

(1) Total capitalisation includes equity attributable to equity holders of CapitaLand and non-controlling interests.

DIRECTORS AND MANAGEMENT OF THE GUARANTOR

The Board of Directors of CapitaLand is responsible for overseeing the affairs and is collectively responsible for the long term success of the Group. The President and Group Chief Executive Officer ("**CEO**") of CapitaLand, together with a team of executive officers, are responsible for the day-to-day operations and different functions of the Group.

As at the date of this Offering Circular, the Directors of CapitaLand are as follows:

Board of Directors

Mr Ng Kee Choe

Chairman

Mr Ng Kee Choe, an Independent Non-Executive Director, joined the CapitaLand Board on 16 April 2010 and was appointed as Chairman on 1 May 2012. Mr Ng was last re-elected as a Director at CapitaLand's Annual General Meeting on 26 April 2013. He is Chairman of CapitaLand's Investment Committee and Executive Resource and Compensation Committee. He is also a Member of CapitaLand's Finance and Budget Committee and Nominating Committee.

Mr Ng is presently Chairman of CapitaMalls Asia Limited (listed on the SGX-ST and Hong Kong Stock Exchange ("**HKEx**")), SP AusNet (listed on both the SGX-ST and the ASX), NTUC Income Insurance Co-operative Limited and Tanah Merah Country Club. He is also the President-Commissioner of PT Bank Danamon Indonesia, Tbk (listed on the Stock Exchange of Indonesia). In addition, Mr Ng is a Director of Singapore Exchange Limited (listed on the SGX-ST), and Fullerton Financial Holdings Pte Ltd. He was previously Chairman of Singapore Power Limited from 2000 to 2012 and a Director of Singapore Airport Terminal Services Limited (listed on the SGX-ST).

Mr Ng was Vice-Chairman of DBS Group Holdings Ltd ("**DBS**") and retired from his executive position in DBS in July 2003 after 33 years of service. He was awarded the Distinguished Service Award at the May Day Awards 2013, The Meritorious Service Medal at the Singapore National Day Awards 2012 and The Public Service Star at the Singapore National Day Awards 2001.

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

Mr Peter Seah Lim Huat

Deputy Chairman

Mr Peter Seah, an Independent Non-Executive Director, joined the CapitaLand Board on 18 December 2001 and was elected as Deputy Chairman on 1 January 2009. Mr Seah was last re-elected as a Director at CapitaLand's Annual General Meeting on 26 April 2013. He is also Chairman of CapitaLand's Finance and Budget Committee and Nominating Committee. He is a Member of CapitaLand's Executive Resource and Compensation Committee.

Mr Seah is presently Chairman of DBS Group Holdings Ltd (listed on the SGX-ST), DBS Bank Ltd, DBS Bank (Hong Kong) Limited, LaSalle College of the Arts Limited and Singapore Health Services Pte Ltd. He is also Deputy Chairman of STT Communications Ltd.

Mr Seah is a Director of StarHub Ltd (listed on the SGX-ST), Level 3 Communications Inc (listed on the New York Stock Exchange), STATS ChipPAC Ltd (listed on the SGX-ST), Asia Mobile Holdings Pte Ltd, Fullerton Financial Holdings Pte Ltd and GIC Private Limited.

Mr Seah was Chairman of Singapore Technologies Engineering Limited and SembCorp Industries Ltd (both listed on SGX-ST), and Deputy Chairman of Global Crossing Limited. He was a Director of Alliance Bank Malaysia Berhad and Bank of China Limited.

Prior to the above appointments, Mr Seah was the President and CEO of Singapore Technologies Pte Ltd from 2001 to 2004. Mr Seah was with Overseas Union Bank ("**OUB**") from 1977 and became its President and CEO in 1991. He retired as Vice Chairman and CEO from OUB on 30 September 2001. He was awarded The Distinguished Service Order at the Singapore National Day Awards 2012.

Mr Seah is a graduate of the University of Singapore with a Bachelor of Business Administration (Honours).

Mr Lim Ming Yan

President & Group Chief Executive Officer

Mr Lim Ming Yan is President and Group Chief Executive Officer of CapitaLand. He joined the CapitaLand Board on 1 January 2013. Mr Lim was last re-elected as a Director at CapitaLand's Annual General Meeting on 26 April 2013. He is also a Member of CapitaLand's Investment Committee, Finance and Budget Committee, and Corporate Disclosure Committee.

Mr Lim is a Director of CapitaMalls Asia Limited (listed on the SGX-ST and HKEx) and Central China Real Estate Limited (listed on the HKEx). He is also Deputy Chairman of CapitaMall Trust Management Limited (manager of CapitaMall Trust listed on the SGX-ST), CapitaCommercial Trust Management Limited (manager of CapitaCommercial Trust listed on the SGX-ST), CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust listed on the SGX-ST) and Ascott Residence Trust Management Limited (manager of Ascott Residence Trust listed on the SGX-ST).

Mr Lim is Chairman of CapitaLand China Holdings Pte Ltd, The Ascott Limited, CapitaLand Singapore Limited, CapitaLand Malaysia Pte Ltd, CTM Property Trust's Steering Committee and Co-Chairman of LFIE Holding Limited. He is also a Director of Business China, Shanghai YiDian Holding (Group) Company and CapitaLand Hope Foundation, the philanthropic arm of CapitaLand Group. He was a Director of Lai Fung Holdings Limited (listed on the HKEx). Mr Lim is also a Board Member of the Building and Construction Authority of Singapore.

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.

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

Mr Lim is a graduate of the University of Birmingham, United Kingdom with a Bachelor of Engineering (Mechanical) and Economics (First Class Honours).

Mr James Koh Cher Siang

Director

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

Mr Koh is currently the Chairman of the Housing & Development Board, MechanoBiology Institute and Singapore Island Country Club. He is a Director of Pan Pacific Hotels Group Limited and United Overseas Bank Limited (both listed on the SGX-ST), Thye Hua Kwan Moral Charities Limited and CapitaLand Hope Foundation, the philanthropic arm of CapitaLand Group. He is also a Member of the Presidential Council for Religious Harmony. Mr Koh was Chairman of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST) and a Director of UOL Group Limited and Singapore Airlines Limited (both listed on the SGX-ST).

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

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

Mrs Arfat Pannir Selvam

Director

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

Mrs Selvam is presently the Managing Director of Selvam LLC and Duane Morris & Selvam LLP. She is Chairman of Law Society of Singapore Pro Bono, Management Committee, President of the Muslim Financial Planning Association and Vice President of the Breast Cancer Foundation.

Mrs Selvam is a Director of CapitaMalls Asia Limited (listed on the SGX-ST and HKEx) and Jurong Health Fund Limited. She is also a Fellow of the Singapore Institute of Directors and a Board of Trustees Member of Rahmatan Lil'Alamin Foundation Ltd.

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

Professor Kenneth Stuart Courtis

Director

Professor Kenneth Courtis, an Independent Non-Executive Director, joined the CapitaLand Board on 14 February 2007 and was last re-elected as a Director at CapitaLand's Annual General Meeting on 30 April 2012. He is a Member of CapitaLand's Finance and Budget Committee, and Investment Committee.

Professor Courtis is presently a Director of Asia Pacific Foundation of Canada, and a Member of the Global Advisory Council (formerly known as McKinsey Advisory Council). He is also an Advisory Board Member for Emerson Electric Company, CNOOC Limited, The Economic Strategy Institute, and International MBA Program, York University. Professor Courtis was a Director of CNOOC Limited (listed on the HKEx) and Noble Group Limited (listed on the SGX-ST).

Professor Courtis was the Founding Chairman of Next Capital Partners. He was also formerly Managing Director and Vice Chairman of Goldman Sachs Asia. Professor Courtis was the Managing Director, Chief Economist and Strategist of Deutsche Bank Group Asia.

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

Mr John Powell Morschel

Director

Mr John Morschel, an Independent Non-Executive Director, joined the CapitaLand Board on 1 February 2010 and was last re-elected as a Director at CapitaLand's Annual General Meeting on 30 April 2012. He is also a Member of CapitaLand's Investment Committee and Nominating Committee.

Mr Morschel is presently Chairman of Australia and New Zealand Banking Group Limited (listed on the ASX and New Zealand Stock Exchange). He is a Director of Gifford Communications Pty Ltd, and Tenix Group Pty Limited.

Mr Morschel was an Executive Director and then Managing Director and CEO of Lend Lease Corporation Limited (listed on the ASX). He was Chairman of Rinker Group Limited (listed on the ASX) and was also a Director of Singapore Telecommunications Limited (listed on the SGX-ST), Westpac Banking Corporation and Rio Tinto Limited (both listed on the ASX).

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

Mr Simon Claude Israel

Director

Mr Simon Israel, a Non-Independent Non-Executive Director, joined the CapitaLand Board on 1 July 2010 and was last re-elected as a Director at CapitaLand's Annual General Meeting on 25 April 2011. He is a Member of CapitaLand's Executive Resource and Compensation Committee, Investment Committee, and Nominating Committee.

Mr Israel is presently Chairman of Singapore Telecommunications Limited (listed on the SGX-ST). He is also a Director of Stewardship & Corporate Governance Centre Pte Ltd and Fonterra Co-operative Group Limited, and a Member of the Governing Board of the Lee Kuan Yew School of Public Policy. He was Chairman of Asia Pacific Breweries Limited and a Director of Neptune Orient Lines Limited (both listed on the SGX-ST).

Mr Israel retired as Executive Director of Temasek Holdings (Private) Limited, the Singapore-headquartered investment firm, on 1 July 2011. Prior to that appointment, Mr Israel was Chairman, Asia Pacific of the Danone Group, and President (Household & Personal Care), Asia Pacific of Sara Lee Corporation. Mr Israel was awarded The Public Service Medal at the Singapore National Day Awards 2011, and The Knight in the Legion of Honour by the French Government in 2007.

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

Ms Euleen Goh Yiu Kiang

Director

Ms Euleen Goh, an Independent Non-Executive Director, joined the CapitaLand Board on 1 October 2011 and was last re-elected as a Director at CapitaLand's Annual General Meeting on 30 April 2012. She is Chairman of CapitaLand's Audit Committee, and a Member of CapitaLand's Risk Committee.

Ms Goh is presently Chairman of the Singapore International Foundation, NorthLight School, and Singapore Chinese Girls' School.

Ms Goh is a Director of DBS Group Holdings Ltd and SATS Ltd (both listed on the SGX-ST), and DBS Bank Ltd. She is also a Management Advisory Board Member of NUS Business School and Trustee of the Singapore Institute of International Affairs Endowment Fund. She is also a Justice of Peace.

Ms Goh was a Director of Singapore Exchange Limited and Singapore Airlines Limited (both listed on the SGX-ST), and Aviva plc (listed on the London Stock Exchange).

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

Ms Goh was awarded The Public Service Star at the Singapore National Day Awards 2012, Her World Woman of the Year 2005, and The Public Service Medal at the Singapore National Day Awards 2005.

Ms Goh is a Member of Institute of Chartered Accountants in England and Wales, The Chartered Institute of Taxation, United Kingdom, Institute of Singapore Chartered Accountants and Ifs School of Finance, United Kingdom.

Tan Sri Amirsham Bin A Aziz

Director

Tan Sri Amirsham A Aziz, an Independent Non-Executive Director, joined the CapitaLand Board on 30 July 2012 and was last re-elected as a Director at CapitaLand's Annual General Meeting on 26 April 2013. He is a Member of CapitaLand's Audit Committee and Risk Committee.

Tan Sri Amirsham is presently a Director of CapitaMalls Asia Limited (listed on the SGX-ST and HKEx) and Lingui Developments Berhad (listed on the Bursa Malaysia Securities Berhad). He is also a Director of Destination Resorts & Hotels Sdn Bhd, Malaysia Investment Development Authority, Petroliam Nasional Berhad, Pulau Indah Ventures Sdn Bhd, Samling Global Limited, StarChase Motorsports Limited, Themed Attractions Berhad, and Themed Attractions & Resorts Sdn Bhd.

Tan Sri Amirsham retired as the President and CEO of Malayan Banking Berhad in March 2008. Prior to this, he was appointed Minister in the Prime Minister's Department to head the Economic Planning Unit and Department of Statistics, Malaysia. He stepped down from the Prime Minister's Department in April 2009. Subsequently, he was appointed as Chairman of the National Economic Advisory Council on 1 June 2009, a position he held until 31 May 2011. Tan Sri Amirsham was awarded the Global Hall of Fame by the International Association of Outsourcing Professionals 2009, and The Asian Bankers Lifetime Achievement Award 2008.

Tan Sri Amirsham is a graduate from the University of Malaya with a Bachelor of Economics (Honours). He is also a Certified Public Accountant.

Mr Stephen Lee Ching Yen

Director

Mr Stephen Lee, an Independent Non-Executive Director, joined the CapitaLand Board on 1 January 2013 and was last re-elected as a Director at CapitaLand's Annual General Meeting on 26 April 2013. He is also a Member of CapitaLand's Executive Resource and Compensation Committee, and Risk Committee.

Mr Lee is presently Chairman of Singapore Airlines Limited and SIA Engineering Company Ltd (both listed on SGX-ST). He is also President of the Singapore National Employers Federation, Managing Director of Great Malaysia Textile Investments Pte Ltd, and Shanghai Commercial and Savings Bank Ltd, Taiwan.

Mr Lee is a Director of Singapore Labour Foundation and COFCO Corporation, China. He is also a Member of National Wages Council and Alternate Member of the Council of Presidential Advisers. He was awarded The Distinguished Service Order at the Singapore National Day Awards 2006.

Mr Lee is a graduate of Northwestern University, Illinois, USA, with a Master of Business Administration.

Executive Management Council

The Group's principal executive officers are as follows:

Mr Lim Ming Yan

President & Group Chief Executive Officer, CapitaLand Limited

Please refer to the write-up on page 97.

Mr Olivier Lim

Group Deputy CEO, CapitaLand Limited

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

Mr Lim's prior positions in CapitaLand were as Group Chief Investment Officer until 2 January 2013, Head of Strategic Corporate Development until 5 February 2012, and Group Chief Financial Officer for six years until 2011. Prior to joining CapitaLand Limited in 2003, he was Director and Head of the Real Estate Unit, Corporate Banking in Citibank Singapore.

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

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

Mr Arthur Lang

Group Chief Financial Officer, CapitaLand Limited

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

Prior to joining CapitaLand, he was co-head of the Southeast Asia investment banking division for Morgan Stanley where he spearheaded the client coverage and transaction execution efforts across Southeast Asia.

Prior roles Mr Lang held at Morgan Stanley also included the Chief Operating Officer for the Asia Pacific investment banking division where he was based in Hong Kong.

Mr Lang is also a board member of the Land Transport Authority of Singapore and Tiger Airways Holdings Limited.

Mr Lang was awarded the Best Investor Relations by a CFO at the IR Magazine South East Asia Awards 2012.

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

Mr 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 Office Administration, Organisational Development, Information Technology, Corporate Communications, Corporate Marketing, Legal & Company Secretariat, Operations Compliance Unit and Corporate Security & Investigation. Mr Tan is also the Executive Director of CapitaLand Hope Foundation, the philanthropic arm of CapitaLand.

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

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

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

Mr Wen Khai Meng

CEO, 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, 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 Ministry of National Development, Singapore.

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

Mr Jason Leow

CEO, CapitaLand China Holdings Pte Ltd

Mr Jason Leow is the Chief Executive Officer of CapitaLand China. Mr Leow has been Chief Executive Officer of CapitaLand China Holdings Pte Ltd since 2009.

Mr Leow has been with CapitaLand from 1994 and has over 19 years of experience in China. He has held several appointments within the Group, including General Manager of Business Development, General Manager of Corporate Services and Deputy Chief Executive Officer of CapitaLand China Holdings.

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

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

Mr Lim Beng Chee

CEO, CapitaMalls Asia Limited

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

Mr Lim previously held various positions within the CapitaLand Group, including Chief Executive Officer of CapitaMall Trust Management Limited and Chief Executive Officer of CapitaRetail China Trust Management Limited. Mr Lim has played an instrumental role in the creation of CapitaMalls Asia's retail real estate funds and REITs.

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

Mr Lee Chee Koon

CEO, The Ascott Limited

Mr Lee Chee Koon is the Chief Executive Officer of The Ascott Limited and a Non-Independent, Non-Executive Director of Ascott Residence Trust Management Limited with effect from 1 June 2013.

Prior to this, Mr Lee was appointed the Deputy Chief Executive Officer of Ascott in February 2012, assisting the Chief Executive Officer in strategic planning and investment of the serviced residence business. He was concurrently Ascott's Managing Director for North Asia, responsible for driving the company's investment and business development as well as managing 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, he held appointments in various Ministries such as the Ministry of Trade and Industry, Ministry of Finance, and the Monetary Authority of Singapore.

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

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

Mr Chen Lian Pang

CEO, CapitaLand Vietnam, CapitaLand Limited

Mr Chen Lian Pang is the Chief Executive Officer of CapitaLand Vietnam. Mr Chen was the Chief Executive Officer of CapitaValue Homes Limited until 2 January 2013.

In his 16 years of service with CapitaLand, Mr Chen has held various positions within the Group where he was responsible for the company's operations in Southeast Asia. He was instrumental in the setting up T.C.C. Capital Land Ltd in Thailand in 2003 and CapitaLand Vietnam Holdings in Vietnam in 2007.

Mr Chen has 30 years of construction and real estate experience both in Singapore and overseas. He started his career with the Housing and Development Board of Singapore. He had overseen the development of both commercial and residential projects, including Capital Tower in Singapore, Raffles City Shanghai in China, Westlake International Hotel in Hanoi, Vietnam (now the Sofitel Plaza Hanoi) and a luxury condominium, Suasana Sentral in Kuala Lumpur, Malaysia.

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

Mr Chong Lit Cheong

CEO, Regional Investments, CapitaLand Limited

Mr Chong Lit Cheong is the Chief Executive Officer, Regional Investments of CapitaLand Limited. He was appointed as Director of Surbana Corporation Pte Ltd, a 40 per cent. owned associate company of CapitaLand, in 2012. Mr Chong was the Chief Executive Officer of CapitaLand Commercial Limited until 2 January 2013.

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

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

Mr Wong Heang Fine

CEO, Residential, CapitaLand Singapore Limited

Mr Wong Heang Fine is the Chief Executive Officer of Residential, CapitaLand Singapore.

Mr Wong was the Chief Executive Officer of CapitaLand ILEC Pte. Ltd. He was also in charge of CapitaLand's business in the GCC. Mr Wong was the President of the Real Estate Developers' Association of Singapore until end January 2013.

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

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

TERMS AND CONDITIONS OF THE NOTES OTHER THAN PERPETUAL NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 3 August 2012 between CapitaLand Treasury Limited (the "**Issuer**"), CapitaLand Limited (the "**Guarantor**") and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) [as supplemented by the Singapore Supplemental Trust Deed (as amended or supplemented as at the Issue Date) dated 2 September 2013 between the Issuer, the Guarantor and the Trustee] [1]. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 3 August 2012 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent (except as otherwise described below), The Bank of New York Mellon, Hong Kong Branch as the lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU Service**"), The Bank of New York Mellon, Singapore Branch as paying agent for Notes to be cleared through the computerised system (the "**CDP System**") operated by The Central Depository (Pte) Limited ("**CDP**"), The Bank of New York Mellon as issuing and paying agent for the Notes to be cleared through Depository Trust Company and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**CMU Lodging and Paying Agent**", the "**CDP Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent, the CMU Lodging and Paying Agent and the CDP Paying Agent), the "**Registrars**", the "**Transfer Agents**" (which expression shall include the Registrars) and the "**Calculation Agent(s)**". For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

Notes may be denominated in Singapore dollars ("**Singapore Dollar Notes**") or in other currencies ("**Non-Singapore Dollar Notes**"). The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the

1 Include for Notes governed by Singapore law.

case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the

Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for transfer, exercise or redemption. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge**: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 Guarantee and Status

(a) **Guarantee**: The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons relating to them. Its obligations in that respect (the "**Guarantee**") are contained in the Trust Deed.

(b) **Status of Notes and Guarantee**: The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

4 Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security**") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any International Investment Securities issued by the Issuer or the Guarantor or to secure any guarantee or indemnity provided by the Issuer or the Guarantor of, or in respect of, any International Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Notes, the Receipts, the Coupons and the Trust Deed or, as the case may be, the Guarantor's obligations under the Guarantee, (a) are secured equally and rateably therewith to the satisfaction of the Trustee, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions, "**International Investment Securities**" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other debt securities which are for the time being, or are intended to be, or are capable of being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market, having an original maturity of more than 365 days from its date of issue.

Nothing in this Condition 4:

(a) shall extend to any Security of the Issuer or the Guarantor existing as at the Issue Date;

(b) shall prohibit or restrict the creation by the Issuer or the Guarantor of any Security upon any property or assets acquired, purchased or owned or to be acquired, purchased or owned by the Issuer, the Guarantor or any of their respective Subsidiaries for the purpose of securing the payment of any sum due in respect of the International Investment Securities or any payment under any guarantee of, or indemnity or other like obligation relating to the International Investment Securities, the proceeds of which are to be applied towards financing or refinancing the cost of the acquisition, purchase, development, construction, redevelopment and ownership of such property or assets (including, without limitation, the equipping, alteration or improvement of such property or assets following their redevelopment, development or construction) provided that the Security in respect of any such refinancing undertaken by the Issuer or the Guarantor is (a) created or effected no later than six months after such acquisition, purchase, development, construction or redevelopment, as applicable, and the Security is limited to the property or assets acquired, purchased, developed, constructed or redeveloped, or (b) is created or effected only in respect of a refinancing of existing secured indebtedness; or

(c) shall prohibit or restrict the Issuer or the Guarantor from securing any indebtedness evidenced by International Investment Securities existing on (1) any property or asset of any entity at the time the Issuer, the Guarantor or any one of their respective Subsidiaries acquires such entity after the Issue Date or (2) any property or asset at the time it is acquired by the Issuer, the Guarantor or any one of their respective Subsidiaries after the Issue Date provided that, in each case, (a) such Security shall not have been created in contemplation of or in connection with such acquisition and (b) the principal amount or maturity of such indebtedness is not increased.

For the purposes of these Conditions:

"**Group**" means the Guarantor and its Subsidiaries;

"**Subsidiary**" has the meaning ascribed to "**subsidiary**" in Section 5 of the Companies Act, Chapter 50 of Singapore.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes**: Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i).

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes (for Non-Singapore Dollar Notes only)**: This Condition 5(b) applies in respect of Floating Rate Notes and Index Linked Interest Notes which are Non-Singapore Dollar Notes:

(i) *Interest Payment Dates*: Each Floating Rate Note and Index Linked Interest Note which is a Non-Singapore Dollar Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes which are Non-Singapore Dollar Notes*: The Rate of Interest in respect of Floating Rate Notes which are Non-Singapore Dollar Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 5(b)(iii)(A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this Condition 5(b)(iii)(A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or

Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) of Condition 5(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) of Condition 5(b)(iii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) of Condition 5(b)(iii)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(iii)(B), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes which are Non-Singapore Dollar Notes*: The Rate of Interest in respect of Index Linked Interest Notes which are Non-Singapore Dollar Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Interest on Floating Rate Notes and Index Linked Interest Notes (for Singapore Dollar Notes only)**: This Condition 5(c) applies in respect of Floating Rate Notes and Index Linked Interest Notes which are Singapore Dollar Notes:

(i) *Interest Payment Dates*: Each Floating Rate Note or Index Linked Interest Note which is a Singapore Dollar Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period specified hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes which are Singapore Dollar Notes*: Each Floating Rate Note which is a Singapore Dollar Note bears interest at a floating rate determined by reference to the Reference Rate as stated hereon, including the Swap Rate (in which case such Note will be a Swap Rate Note). A "**Swap Rate Note**" means a Note which bears interest calculated in the manner set out in Condition 5(c)(iv)(B) below.

(iv) *Determination of Rate of Interest*: The Rate of Interest payable from time to time in respect of each Floating Rate Note which is a Singapore Dollar Note will be determined by the Calculation Agent on the basis of the following provisions:

(A) In the case of Floating Rate Notes which are not Swap Rate Notes, and where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, and such Reference Rate is specified as being SIBOR, the Calculation Agent will determine the Rate of Interest in respect of any Interest Accrual Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period as follows:

(B) (1) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Accrual Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page);

(2) if no such rate appears on the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Accrual Period which shall be the rate which appears on the Reuters Screen SIBP page under the caption "SINGAPORE DOLLAR INTER-BANK OFFERED RATES – 11:00 A.M." and the row headed "SIBOR SGD" (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Accrual Period;

(3) if no such rate appears on the Reuters Screen SIBP page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Accrual Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Accrual Period shall

be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of such offered quotations, as determined by the Calculation Agent;

(4) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Accrual Period shall be determined in accordance with paragraph (3) of Condition 5(c)(iv)(A) on the basis of the quotations of those Reference Banks providing such quotations; and

(5) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Accrual Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date;

(C) In the case of Floating Rate Notes which are Swap Rate Notes:

(1) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;

(2) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest (which shall be rounded up, if necessary, to the nearest 5 decimal places) for such Interest Accrual Period in accordance with the following formula:

In the case of Premium:

$$\text{Rate of Interest} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{\text{T} \times \text{Spot Rate}} + \frac{(\text{SIBOR} \times \text{Premium})}{\text{Spot Rate}} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Rate of Interest} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{\text{T} \times \text{Spot Rate}} - \frac{(\text{SIBOR} \times \text{Discount})}{\text{Spot Rate}} \times \frac{365}{360}$$

where:

SIBOR	=	the rate which appears under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) AT 11:00 A.M." and the row headed "SIBOR USD" on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore inter-bank U.S. Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;
Spot Rate	=	the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" and the column headed "SPOT" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;
Premium or Discount	=	the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a

period equal to the duration of the Interest Accrual Period concerned; and

T = the number of days in the Interest Accrual Period concerned;

(3) if on any Interest Determination Date any one of the components for the purposes of calculating the Rate of Interest under Condition 5(c)(iv)(B) is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Accrual Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the Swap Rates quoted by the Reference Banks to the Calculation Agent. The "**Swap Rate**" of a Reference Bank means the rate at which that Reference Bank can generate Singapore Dollars for the Interest Accrual Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{\text{T} \times \text{Spot Rate}} + \frac{(\text{SIBOR} \times \text{Premium})}{\text{Spot Rate}} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{\text{T} \times \text{Spot Rate}} - \frac{(\text{SIBOR} \times \text{Discount})}{\text{Spot Rate}} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which U.S. Dollar deposits for a period equal to the duration of the Interest Accrual Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells U.S. Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and

T = the number of days in the Interest Accrual Period concerned; and

(4) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date;

(D) On the last day of each Interest Accrual Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Accrual Period relates at the Rate of Interest for such Interest Accrual Period.

(v) *Rate of Interest for Index Linked Interest Notes*: The Rate of Interest in respect of Index Linked Interest Notes which are Singapore Dollar Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(d) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(e) **Dual Currency Notes**: In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(f) **Partly Paid Notes**: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(g) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with this Condition 5 by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 5(h)(ii).

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(i) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest

Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii) or Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall be final and binding upon all parties.

(k) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than Singapore Dollars, euros or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or

(ii) in the case of Notes denominated in euros, a day on which the TARGET system is operating (a "**TARGET Business Day**") and a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or

(iii) in the case of Notes denominated in Renminbi, if cleared through the CMU, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong, if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong and if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or

(iv) in the case of Singapore Dollar Notes, if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments to Singapore and if cleared through Euroclear and

Clearstream, Luxembourg, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or

(v) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(vii) if "**Actual/Actual-ICMA**" is specified hereon,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means (x) in the case of Non-Singapore Dollar Notes, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Renminbi or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or (y) in the case of Singapore Dollar Notes, in respect of any Interest Accrual Period, that number of Business Days in Singapore prior to the first day of the Interest Accrual Period as specified hereon.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Time**" means 11.00 a.m. (Singapore time).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(l) **Calculation Agents**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the

Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. No Calculation Agent appointed in respect of the Notes may resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption**:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(a)(i), its final Instalment Amount.

(b) **Early Redemption**:

(i) *Zero Coupon Notes*:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of Condition 6(b)(i)(C), the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(b)(i)(B), except that Condition 6(b)(i)(B) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(b)(i)(C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d). Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i)), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons**: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b)) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above of this Condition 6(c) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. The Trustee shall be entitled to, without further enquiry and without liability to any Noteholder, any Couponholder or any other person, to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(c), in which event it shall be conclusive and binding on the Noteholders and Couponholders.

(d) **Redemption at the Option of the Issuer**: If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders**: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Partly Paid Notes**: Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6(f) and the provisions specified hereon.

(g) **Purchases**: Each of the Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) **Cancellation**: All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, the same shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) **Bearer Notes**: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and

(ii) in the case of Renminbi, by transfer to a relevant account maintained by or on behalf of the Noteholder with a bank in Hong Kong. If a holder does not maintain a relevant account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

For the purpose of this Condition 7(a):

"**relevant account**" means the Renminbi account maintained by or on behalf of the Noteholder with:

(i) in the case of Notes cleared through the CMU Service; a bank in Hong Kong; or

(ii) in the case of Notes cleared through the CDP System, a bank in Singapore or Hong Kong.

In this Condition 7(a) and in Condition 7(b), "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes**:

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business (i) on the fifteenth day before the due date for payment thereof or (ii) in the case of Notes denominated in Renminbi, on the fifth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(A) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(B) in the case of Renminbi, by transfer to the registered account of the Noteholder. If a holder does not maintain a registered account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

For the purposes of this Condition 7(b):

"**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with:

(i) in the case of Notes cleared through the CMU service; a bank in Hong Kong; or

(ii) in the case of Notes cleared through the CDP System, a bank in Singapore or Hong Kong,

details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(c) **Payments in the United States**: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Fiscal Laws**: Save as provided in Condition 8, all payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer or the Guarantor agrees to be subject and the Issuer or the Guarantor will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**: The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the

Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU Service, (v) a CDP Paying Agent in relation to Notes cleared through the CDP System, (vi) one or more Calculation Agent(s) where the Conditions so require, (vii) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, (viii) such other agents as may be required by any other stock exchange on which the Notes may be listed and (ix) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons**:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer or the Issuing and Paying Agent may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons**: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days**: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7(h), "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day; or

(iii) (in the case of Renminbi cleared through the CMU Service) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; or

(iv) (in the case of Renminbi cleared through the CDP System) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.

(i) **Renminbi fallback**: Notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, neither the Issuer nor the Guarantor, in their sole discretion, is able to satisfy payments of principal or interest in respect of Notes when due in Renminbi (in the case of Notes cleared through the CMU Service) in Hong Kong, or (in the case of Notes cleared through the CDP System) in Singapore, the Issuer or the Guarantor as the case may be, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment (in the case of Notes cleared through the CMU Service) in US dollars, or (in the case of Notes cleared through the CDP System) in Singapore dollars, on the due date at, (in the case of Notes cleared through the CMU Service), the US Dollar Equivalent or, (in the case of Notes cleared through the CDP System), the Singapore Dollar Equivalent of any such Renminbi denominated amount.

In such event, payment of the US Dollar Equivalent or the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Notes shall be made by:

(i) in the case of Notes cleared through the CMU Service, a US dollar denominated cheque drawn on a bank in New York City and mailed to the holder (or to the first named of joint holders) of the Notes at its address appearing in the Register, or, upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, by transfer to a US dollar denominated account with a bank in New York City; or

(ii) in the case of Notes cleared through the CDP System, transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore.

In this Condition:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange):

(i) in the case of Notes cleared through the CMU Service, in Hong Kong, in Singapore and in New York City; or

(ii) in the case of Notes cleared through the CDP System, in Singapore;

"**Determination Date**" means the day which:

(i) in the case of Notes cleared through the CMU Service, is two Determination Business Days before the due date of the relevant amount under these Conditions; or

(ii) in the case of Notes cleared through the CDP System, is seven Determination Business Days before the due date of the relevant amount under these Conditions;

"**Governmental Authority**" means:

(i) in the case of Notes cleared through the CMU Service, any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; or

(ii) in the case of Notes cleared through the CDP System, the Monetary Authority of Singapore or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Illiquidity**" means:

(i) in the case of Notes cleared through the CMU Service, the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers; or

(ii) in the case of Notes cleared through the CDP System, the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer or the Guarantor to convert any amount due in respect of the Notes in the general Renminbi exchange market in, in the case of Notes cleared through the CMU Service, Hong Kong, or, in the case of Notes cleared through the CDP System, Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to transfer Renminbi between accounts:

(i) in the case of Notes cleared through the CMU Service, inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation). in Hong Kong and in New York City; or

(ii) in the case of Notes cleared through the CDP System, inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Renminbi Dealer**" means an independent foreign exchange dealer of international reports active in the Renminbi exchange market in:

(i) in the case of Notes cleared through the CMU Service, Hong Kong; and

(ii) in the case of Notes cleared through the CDP System, in Singapore;

"**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Spot Rate**" means:

(i) in the case of Notes cleared through the CMU Service, the [spot CNY/U.S. Dollar exchange rate for the purchase of U.S. Dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by an agent (the "**Calculation Agent**") at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF.]/[CNY/U.S. Dollar official fixing rate, expressed as the amount of CNY per one U.S. Dollar, for settlement in two Determination Business Days reported by the Treasury Markets Association which appears on Reuters page <CNHFIX> at approximately 11:15 a.m. (Hong Kong time)].

    If such rate is not available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. Dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; or

(ii) in the case of Notes cleared through the CDP System, for a Determination Date, means the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11.00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(i) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agents and all Noteholders; and

"**US Dollar Equivalent**" means the Renminbi amount converted into US dollars using the relevant Spot Rate for the relevant Determination Date.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor will not be obliged to pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Singapore Dollar Notes for, or on account of, any such taxes or duties, and in relation to Non-Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection**: to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date**: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) **Payment to individuals**: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) **Payment by another Paying Agent**: (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events ("**Events of Default**") occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to first being indemnified and/or secured and/or prefunded to its satisfaction), give written notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

(a) a default in the payment of any principal due in respect of the Notes is subsisting for a period of more than seven days;

(b) a default is made for a period of 14 days or more in the payment of any interest due in respect of the Notes;

(c) the Issuer or the Guarantor does not perform or comply with one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if capable of remedy and is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the Guarantor by the Trustee;

(d) the Issuer, the Guarantor or any Principal Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops payment of all or a material part of its debts (other than those contested in good faith and by appropriate proceedings), proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any material part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or any material part of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the Issuer, the Guarantor or any Principal Subsidiary;

(e) (i) any other present or future indebtedness of the Issuer, the Guarantor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, the Guarantor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(e) have occurred equals or exceeds S$100,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Singapore dollar as quoted by any leading bank selected by the Issuer (and notified in writing to the Trustee) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantees or indemnity);

(f) a distress, attachment, execution or other legal process is levied, enforced or sued on or against any material part of the property, assets or revenues of the Issuer, the Guarantor or any Principal Subsidiary and is not discharged or stayed within 30 days;

(g) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, the Guarantor or any Principal Subsidiary, or the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Guarantor or any of its Subsidiaries;

(h) an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Issuer, the Guarantor or any Principal Subsidiary (as the case may be) and is not discharged within 30 days;

(i) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of their respective obligations under any of the Notes or the Trust Deed or any consent or approval required to make the Issuer's or the Guarantor's obligations under the Notes or the Trust Deed legally binding and enforceable is not obtained, or any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order to ensure that those obligations are legally binding and enforceable and to make the Notes and the Trust Deed admissible in evidence in the courts of Singapore is not taken, fulfilled or done;

(j) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;

(k) the Issuer ceases to be a Subsidiary owned, directly or indirectly, by the Guarantor; or

(l) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing Conditions.

provided that, in the case of any such event other than those described in Conditions 10(a), 10(b), 10(d), 10(e), 10(g) and 10(l) the Trustee shall have certified in writing to the Issuer that such event is in its opinion materially prejudicial to the interests of Noteholders. The Trustee in forming such an opinion may exercise all or any of its rights, powers and discretions vested to it under and in accordance with the Trust Deed and applicable law.

"**Principal Subsidiary**" means:

(a) any Subsidiary of the Guarantor whose total gross assets or (in the case of a Subsidiary which itself has subsidiaries) total consolidated gross assets, as shown by its latest audited balance sheet, are at least 20 per cent. of the amount which equals the amount included in the total consolidated gross assets of the Group as shown by the latest audited consolidated balance sheet of the Group, provided that:

    (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest audited consolidated accounts of the Group relate, the reference to the then latest consolidated accounts of the Group for the purposes of the calculation above shall be deemed to be a reference to the then latest audited consolidated accounts of the Group compared against the total gross assets of such new Subsidiary;

    (ii) if, at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, total gross assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Guarantor;

    (iii) if, at any relevant time in relation to any Subsidiary, no accounts are audited, its total gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary, prepared for this purpose by the Guarantor; and

(iv) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) of this definition) are not consolidated with those of the Guarantor, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor, prepared for this purpose by the Guarantor; or

(b) any Subsidiary of the Guarantor to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary will be deemed to be a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary at the date on which the first accounts (consolidated, if appropriate) of the Guarantor (whether audited or unaudited) prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts.

For the purposes of these Conditions, the definition of "Principal Subsidiary" shall not include any Subsidiary which is listed on any stock exchange.

A report by the independent auditors of the Guarantor, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall be conclusive.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than fifty per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent. in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification and Waiver of the Trust Deed**: The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or CMU and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

(c) **Substitution**: The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or the substitution of the Guarantor's successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, as the case may be, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee**: In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of the Noteholders, shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and (b) it shall have first been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor, any Subsidiary of the Issuer or the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee, the Noteholders and the Couponholders.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer, the Guarantor, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

17 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 17, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

18 Rights of Third Parties

No person shall have any right to enforce any term or condition of the Notes under the [Contracts (Rights of Third Parties) Act 1999] [1]/[Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore] [2].

---

1 Include for Notes governed by English law.

2 Include for Notes governed by Singapore law.

19 Governing Law and Jurisdiction

(a) **Governing Law**: The Trust Deed [as supplemented by the Supplemental Trust Deed][1], the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English][2]/[Singapore][1] law.

(b) **Jurisdiction**: The Courts of [England][2]/[Singapore]1 are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of [England][2]/[Singapore][1] and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) [**Service of Process**: Each of the Issuer and the Guarantor has in the Trust Deed irrevocably appointed TMF Corporate Services Limited of 6 St Andrew Street, 5th Floor, London, EC4A 3AE, United Kingdom as their agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment (in accordance with Condition 16) and the Trustee. Nothing shall affect the right to serve process in any manner permitted by law.][2]

---

1 Include for Notes governed by Singapore law.

2 Include for Notes governed by English law.

TERMS AND CONDITIONS OF THE PERPETUAL NOTES

The following is the text of the terms and conditions that, subject to completion and amendment (including, without limitation, to reflect the terms of any Series of Perpetual Notes and to reflect any changes required to the terms and conditions to reflect the proposed equity, tax or accounting treatment for the Perpetual Notes of such Series) and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Perpetual Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Perpetual Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Perpetual Notes" are to the Perpetual Notes of one Series only, not to all Perpetual Notes that may be issued under the Programme.

The Perpetual Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Perpetual Notes (the "**Issue Date**"), the "**Trust Deed**") dated 3 August 2012 between CapitaLand Treasury Limited (the "**Issuer**"), CapitaLand Limited (the "**Guarantor**") and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) [as supplemented by the Singapore Supplemental Trust Deed (as amended or supplemented as at the Issue Date) dated 2 September 2013 between the Issuer, the Guarantor and the Trustee] [1]. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 3 August 2012 has been entered into in relation to the Perpetual Notes between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent (except as otherwise described below), The Bank of New York Mellon, Hong Kong Branch as the lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU Service**"), The Bank of New York Mellon, Singapore Branch as paying agent for Notes to be cleared through the computerised system (the "**CDP System**") operated by The Central Depository (Pte) Limited ("**CDP**"), The Bank of New York Mellon as issuing and paying agent for the Notes cleared through the Depository Trust Company and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**CMU Lodging and Paying Agent**", the "**CDP Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent, the CMU Lodging and Paying Agent and the CDP Paying Agent), the "**Registrars**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

---

1 Include for Notes governed by Singapore law.

Perpetual Notes may be denominated in Singapore dollars ("**Singapore Dollar Perpetual Notes**") or in other currencies ("**Non-Singapore Dollar Perpetual Notes**"). The Noteholders and the holders of the Distribution coupons (the "**Coupons**") relating to Perpetual Notes in bearer form and, where applicable in the case of such Perpetual Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") relating to Perpetual Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Perpetual Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Perpetual Notes**") in each case in the Specified Denomination(s) shown hereon.

This Perpetual Note is a Fixed Rate Perpetual Note, a Floating Rate Perpetual Note or a Partly Paid Perpetual Note, a combination of any of the foregoing or any other kind of Perpetual Note, depending upon the Distribution and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Perpetual Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Perpetual Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Perpetual Note is registered (as the case may be), "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Perpetual Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Perpetual Notes.

2 No Exchange of Perpetual Notes and Transfers of Registered Perpetual Notes

(a) **No Exchange of Perpetual Notes**: Registered Perpetual Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Perpetual Notes.

(b) **Transfer of Registered Perpetual Notes:** One or more Registered Perpetual Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Perpetual Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Perpetual Notes:** In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, a holding of Registered Perpetual Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Perpetual Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Notes to a person who is already a holder of Registered Perpetual Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for transfer or redemption. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Perpetual Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it.

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Perpetual Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Registered Perpetual Note, (ii) during the period of 15 days prior to any date on which the Perpetual Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Registered Perpetual Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 Guarantee and Status of Senior Perpetual Notes and Senior Guarantee and status of, and Ranking of Claims in relation to, Subordinated Perpetual Notes and Subordinated Guarantee

(a) **Senior Perpetual Notes:** This Condition 3(a) applies to Perpetual Notes that are Senior Perpetual Notes:

(i) **Guarantee**: The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Senior Perpetual Notes and the Coupons relating to them. Its obligations in that respect (in relation to Senior Perpetual Notes, the "**Senior Guarantee**") are contained in the Trust Deed.

(ii) **Status of Senior Perpetual Notes and Senior Guarantee:** The Senior Perpetual Notes and the Coupons relating to them constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Perpetual Notes and the Coupons relating to them and of the Guarantor under the Senior Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

(b) **Subordinated Perpetual Notes:** This Condition 3(b) applies to Perpetual Notes that are Subordinated Perpetual Notes:

(i) **Status of Subordinated Perpetual Notes:** The Subordinated Perpetual Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the Issuer. The rights and claims of the Noteholders in respect of the Subordinated Perpetual Notes are subordinated as provided in this Condition 3(b).

(ii) **Ranking of claims on winding-up – Issuer:** Subject to the insolvency laws of the jurisdiction of incorporation of the Issuer and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Noteholders to payment of principal of and Distribution on the Subordinated Perpetual Notes and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Notes and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement or in a supplement to the Offering Circular.

(iii) **Set-off – Issuer:** Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Notes, and each Noteholder shall, by virtue of his holding of any Subordinated Perpetual Notes, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any

Noteholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

(iv) **Guarantee of Subordinated Perpetual Notes:** The Guarantor has irrevocably guaranteed on a subordinated basis the due payment of all sums expressed to be payable by the Issuer under the Subordinated Perpetual Notes and the Trust Deed. The obligations of the Guarantor in that respect (in relation to Subordinated Perpetual Notes, the "**Subordinated Guarantee**") are contained in the Trust Deed.

(v) **Status of the Subordinated Guarantee of Subordinated Perpetual Notes:** In relation to each Series of Subordinated Perpetual Notes, the payment obligations of the Guarantor under the Subordinated Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with any Parity Obligations of the Guarantor. The rights and claims of the Noteholders in respect of the Subordinated Guarantee are subordinated as provided in this Condition 3(b).

(vi) **Ranking of claims on winding-up – Guarantor:** Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Guarantor, the rights of the Holders to payment of principal of and Distribution on the Subordinated Perpetual Notes and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Guarantor but at least *pari passu* with all other subordinated obligations of the Guarantor that are not expressed by their terms to rank junior to the Subordinated Guarantee and in priority to the claims of shareholders of the Guarantor and/or as otherwise specified in the applicable Pricing Supplement or in a supplement to the Offering Circular.

(vii) **Set-off – Guarantor:** Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with, the Subordinated Guarantee, and each Noteholder shall, by virtue of his holding of any Subordinated Perpetual Notes, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Guarantor in respect of, or arising under or in connection with the Subordinated Guarantee is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Guarantor (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Guarantor (or the liquidator or, as appropriate, administrator of the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

4 Distributions and other Calculations

(a) **Distributions on Fixed Rate Perpetual Notes:** Subject to Condition 4(h), each Fixed Rate Perpetual Note confers a right to receive distributions on its outstanding nominal amount from the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Distribution Rate, such distributions being payable in arrear on each Distribution Payment Date. The amount of distributions payable shall be determined in accordance with Condition 4(g).

(b) **Distributions on Floating Rate Perpetual Notes (for Non-Singapore Dollar Perpetual Notes only):** This Condition 4(b) applies in respect of Floating Rate Perpetual Notes which are Non-Singapore Dollar Perpetual Notes:

(i) *Distribution Payment Dates:* Each Floating Rate Perpetual Note which is a Non-Singapore Dollar Perpetual Note confers a right to receive distributions on its outstanding nominal amount from the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Distribution Rate, such distributions being payable in arrear on each Distribution Payment Date. The amount of each distribution payable shall be determined in accordance with Condition 4(g). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Dates or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which falls the number of months or other period shown hereon as the Distribution Period after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Distribution Rate for Floating Rate Perpetual Notes which are Non-Singapore Dollar Perpetual Notes:* The Distribution Rate in respect of Floating Rate Perpetual Notes which are Non-Singapore Dollar Perpetual Notes for each Distribution Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Perpetual Notes

Where ISDA Determination is specified hereon as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 4(b)(iii)(A) "**ISDA Rate**" for a Distribution Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Distribution Accrual Period unless otherwise specified hereon.

For the purposes of this Condition 4(b)(iii)(A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Perpetual Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Perpetual Notes is specified hereon as being other than LIBOR or EURIBOR, the Distribution Rate in respect of such Perpetual Notes will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if, Condition 4(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if Condition 4(b)(iii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Distribution Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Distribution Rate for such Distribution Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) of Condition 4(b)(iii)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Distribution Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Distribution Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this Condition 4(b)(iii)(B), the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Distribution Rate is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum or Minimum Distribution Rate relating to the relevant Distribution Accrual Period, in place of the Margin or Maximum or Minimum Distribution Rate relating to that last preceding Distribution Accrual Period).

(c) **Distributions on Floating Rate Perpetual Notes (for Singapore Dollar Perpetual Notes only):** This Condition 4(c) applies in respect of Floating Rate Perpetual Notes which are Singapore Dollar Perpetual Notes:

(i) *Distribution Payment Dates:* Each Floating Rate Perpetual Note which is a Singapore Dollar Perpetual Note confers a right to receive distributions on its outstanding nominal amount from the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Distribution Rate, such distributions being payable in arrear on each Distribution Payment Date. Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Dates or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which falls the number of months or other period specified hereon as the Distribution Period after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Distribution Rate for Floating Rate Perpetual Notes which are Singapore Dollar Perpetual Notes:* Each Floating Rate Perpetual Note which is a Singapore Dollar Perpetual Note confers a right to receive distributions at a floating rate determined by reference to the Reference Rate as stated hereon, including the Swap Rate (in which case such Note will be a Swap Rate Perpetual Note). A "**Swap Rate Perpetual Note**" means a Perpetual Note which confers a right to receive distributions calculated in the manner set out in Condition 4(c)(iv)(B)below.

(iv) *Determination of Distribution Rate:* The Distribution Rate payable from time to time in respect of each Floating Rate Perpetual Note which is a Singapore Dollar Perpetual Note will be determined by the Calculation Agent on the basis of the following provisions:

(A) In the case of Floating Rate Perpetual Notes which are not Swap Rate Perpetual Notes, and where Screen Rate Determination is specified hereon as the manner in which the Distribution Rate is to be determined, and such Reference Rate is specified as being SIBOR, the Calculation Agent will determine the Distribution Rate in respect of any Distribution Accrual Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Accrual Period as follows:

(1) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Accrual Period, determine the Distribution Rate for such Distribution Accrual Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Accrual Period which appears on the Reuters Screen ABSIRFIX01 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page);

(2) if no such rate appears on the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof), the Calculation Agent will, at or

about the Relevant Time on such Distribution Determination Date, determine the Distribution Rate for such Distribution Accrual Period which shall be the rate which appears on the Reuters Screen SIBP page under the caption "SINGAPORE DOLLAR INTER-BANK OFFERED RATES – 11:00 A.M." and the row headed "SIBOR SGD" (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Accrual Period;

(3) if no such rate appears on the Reuters Screen SIBP page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Accrual Period commencing on such Distribution Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Perpetual Notes. The Distribution Rate for such Distribution Accrual Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of such offered quotations, as determined by the Calculation Agent;

(4) if on any Distribution Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Distribution Rate for the relevant Distribution Accrual Period shall be determined in accordance with paragraph (3) of Condition 4(c)(iv)(A)on the basis of the quotations of those Reference Banks providing such quotations; and

(5) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Distribution Rate for the relevant Distribution Accrual Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Accrual Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Notes for such Distribution Accrual Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date;

(B) In the case of Floating Rate Perpetual Notes which are Swap Rate Perpetual Notes:

(1) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Accrual Period, determine the Distribution Rate for such Distribution Accrual Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Accrual Period;

(2) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Distribution Rate (which shall be rounded up, if necessary, to the nearest 5 decimal places) for such Distribution Accrual Period in accordance with the following formula:

In the case of Premium:

$$\text{Distribution Rate} = \frac{365}{360} \text{ x SIBOR} + \frac{(\text{Premium x } 36500)}{(\text{T x Spot Rate})} + \frac{(\text{SIBOR x Premium})}{(\text{Spot Rate})} \text{ x } \frac{365}{360}$$

In the case of Discount:

$$\text{Distribution Rate} = \frac{365}{360} \text{ x SIBOR} + \frac{(\text{Discount x } 36500)}{(\text{T x Spot Rate})} - \frac{(\text{SIBOR x Discount})}{(\text{Spot Rate})} - \frac{365}{360}$$

where:

SIBOR = the rate which appears under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) AT 11:00 A.M." and the row headed "SIBOR USD" on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore inter-bank U.S. Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN

SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" and the column headed "SPOT" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned;

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned; and

T = the number of days in the Distribution Accrual Period concerned;

(3) if on any Distribution Determination Date any one of the components for the purposes of calculating the Distribution Rate under Condition 4(c)(iv)(B) above is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Distribution Accrual Period concerned at or about the Relevant Time on that Distribution Determination Date and the Distribution Rate for such Distribution Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the Swap Rates quoted by the Reference Banks to the Calculation Agent. The "**Swap Rate**" of a Reference Bank means the rate at which that Reference Bank can generate Singapore Dollars for the Distribution Accrual Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Distribution Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR	=	the rate per annum at which U.S. Dollar deposits for a period equal to the duration of the Distribution Accrual Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Distribution Determination Date;
Spot Rate	=	the rate at which that Reference Bank sells U.S. Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Distribution Determination Date;
Premium or Discount	=	the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned; and
T	=	the number of days in the Distribution Accrual Period concerned; and

(4) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Distribution Rate shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Notes for such Distribution Accrual Period by whatever means they determine to be most appropriate, or if on such Distribution Determination Date one only

or none of the Reference Banks provides the Calculation Agent with such quotation, the Distribution Rate for the relevant Distribution Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date;

(C) On the last day of each Distribution Accrual Period, the Issuer will make payment of distributions on each Floating Rate Perpetual Note to which such Distribution Accrual Period relates at the Distribution Rate for such Distribution Accrual Period.

(d) **Partly Paid Perpetual Notes:** In the case of Partly Paid Perpetual Notes, distributions will accrue as aforesaid on the paid-up nominal amount of such Perpetual Notes and otherwise as specified hereon.

(e) **Accrual of Distributions:** Distributions shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Distribution Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(f) **Margin, Maximum/Minimum Rates of Distribution and Redemption Amounts and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Distribution Accrual Periods), an adjustment shall be made to all Distribution Rates, in the case of (x), or the Distribution Rates for the specified Distribution Accrual Periods, in the case of (y), calculated in accordance with this Condition 4 by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 4(f)(ii).

(ii) If any Maximum Rate of Distribution or Minimum Rate of Distribution or Redemption Amount is specified hereon, then any Distribution Rate or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) **Calculations:** The amount of distribution payable per Calculation Amount in respect of any Perpetual Note for any Distribution Accrual Period shall be equal to the product of the Distribution Rate, the Calculation Amount specified hereon, and the Day Count Fraction for such Distribution Accrual Period, unless a Distribution Amount (or a formula for its calculation) is applicable to such Distribution Accrual Period, in which case the amount of distribution payable per Calculation Amount in respect of such Perpetual Note for such Distribution Accrual Period shall equal such Distribution Amount (or be calculated in accordance with such formula). Where any Distribution Period comprises two or more Distribution Accrual Periods, the amount of distribution payable per

Calculation Amount in respect of such Distribution Period shall be the sum of the Distribution Amounts payable in respect of each of those Distribution Accrual Periods. In respect of any other period for which distributions are required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which distributions are required to be calculated.

(h) **Distribution Deferral:**

(i) **Optional Deferral:** If Distribution Deferral is set out hereon, the Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (a "**Deferral Election Notice**") to the Noteholders (in accordance with Condition 14) and to the Trustee and the Issuing and Paying Agent not more than 15 nor less than 5 Business Days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date unless, during the Look-Back Period (as defined in the relevant Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, the Issuer has at its discretion repurchased, redeemed or otherwise acquired any of its Junior Obligations or, in relation to Subordinated Perpetual Notes only, the Parity Obligations (other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations) (a "**Compulsory Distribution Payment Event**") and/or as otherwise specified in the applicable Pricing Supplement.

(ii) **No obligation to pay:** The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4(h)(i).

(iii) **Requirements as to Notice:** Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate in the form scheduled to the Trust Deed signed by a director of each of the Issuer and the Guarantor confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Noteholder, any Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Noteholders.

(iv) **Cumulative Deferral:** If Cumulative Deferral is set out hereon, any Distribution deferred pursuant to this Condition 4(h) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(h)(i)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(h) except that this Condition 4(h)(iv) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Notes at the Distribution Rate and the amount of such interest (the "**Additional Distribution**

Amount") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(v) **Non-Cumulative Deferral; Optional Distribution:** If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(h) is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay such distribution or any other distributions that have not been paid in whole or in part. If Optional Distribution is set out hereon, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of distribution which is unpaid in whole or in part (an "**Optional Distribution**") at any time by giving notice of such election to the Noteholders (in accordance with Condition 14) and the Trustee and the Issuing and Paying Agent not more than 15 and not less than 5 Business Days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Noteholders or Couponholders of all outstanding Perpetual Notes and the Coupons related to them on a pro-rata basis.

(vi) **Restrictions in the case of Deferral:** If Dividend Stopper is set out hereon and on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4(h), the Issuer and the Guarantor shall not and shall procure that none of their respective Subsidiaries (other than any Subsidiary which is listed on any stock exchange) will:

(A) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:

(1) if this Perpetual Note is a Senior Perpetual Note, any of its Junior Obligations; or

(2) if this Perpetual Note is a Subordinated Perpetual Note, any of its Junior Obligations or Parity Obligations

(except (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) in relation to the Parity Obligations on a pro-rata basis); or

(B) redeem, reduce, cancel, buy-back or acquire for any consideration:

(1) if this Perpetual Note is a Senior Perpetual Note, any of its Junior Obligations; or

(2) if this Perpetual Note is a Subordinated Perpetual Note, any of its Junior Obligations or Parity Obligations

(other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations),

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations, (iii) (if Cumulative Deferral is set out hereon) if the Issuer or the Guarantor (as the case may be) has satisfied in full all outstanding Arrears of Distribution, (iv) (if Non-Cumulative Deferral is set out hereon) if all outstanding Perpetual Notes have been redeemed in full, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (v) if the Issuer or the Guarantor (as the case may be) is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders and/or as otherwise specified in the applicable Pricing Supplement. For the avoidance of doubt, the restrictions in this Condition 4(h)(vi) shall only apply to the Issuer's or the Guarantor's Subsidiaries to the extent that such dividends, distributions or payments are made in respect of the Issuer's or the Guarantor's (as the case may be) Junior Obligations or the Issuer's or the Guarantor's (as the case may be) Parity Obligations and nothing in this Condition 4(h)(vi) shall restrict the Issuer or the Guarantor or any of their respective Subsidiaries from making payment on its guarantees in respect of obligations which are not the Issuer's or the Guarantor's (as the case may be) Junior Obligations or (except on a pro rata basis) the Issuer's or the Guarantor's (as the case may be) Parity Obligations.

For the purposes of these Conditions:

"**Group**" means the Guarantor and its Subsidiaries.

(vii) **Satisfaction of Arrears of Distribution by payment:** The Issuer:

(A) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Noteholders (in accordance with Condition 14) and to the Trustee and the Issuing and Paying Agent not more than 20 nor less than 10 Business Days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(B) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earlier of:

(1) the date of redemption of the Perpetual Notes in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(h)(vi) or the occurrence of a Compulsory Distribution Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Noteholders of all outstanding Perpetual Notes on a pro-rata basis. Further provisions relating to this Condition 4(h)(vii) may be specified in the applicable Pricing Supplement.

(viii) **No default:** Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any Distribution payment in accordance with this Condition 4(h) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Notes or the Guarantor under the Guarantee or for any other purpose.

(i) **Determination and Publication of Distribution Rates, Distribution Amounts and Early Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Distribution Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Distribution Amounts for the relevant Distribution Accrual Period, calculate the Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Distribution Rate and the Distribution Amounts for each Distribution Accrual Period and the relevant Distribution Payment Date and, if required to be calculated, the Early Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Perpetual Notes that is to make a further calculation upon receipt of such information and, if the Perpetual Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Distribution Rate and Distribution Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Distribution Payment Date or Distribution Period Date is subject to adjustment pursuant to Condition 4(b)(ii) or Condition 4(c)(ii), the Distribution Amounts and the Distribution Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period. If the Notes become due and payable under Condition 9, the accrued distributions and the Distribution Rate payable in respect of the Perpetual Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 4 but no publication of the Distribution Rate or the Distribution Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall be final and binding upon all parties.

(j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of Perpetual Notes denominated in a currency other than Singapore Dollars, euros or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or

(ii) in the case of Perpetual Notes denominated in euros, a day on which the TARGET system is operating (a "**TARGET Business Day**"), a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or

(iii) in the case of Perpetual Notes denominated in Renminbi, if cleared through CMU, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong, if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong and, if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or

(iv) in the case of Singapore Dollar Perpetual Notes, if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments to Singapore and, if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or

(v) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of distribution on any Perpetual Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Distribution Period or a Distribution Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

(vii) if "**Actual/Actual-ICMA**" is specified hereon,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Distribution Payment Date(s).

"**Distribution Accrual Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Period Date and each successive period beginning on (and including) a Distribution Period Date and ending on (but excluding) the next succeeding Distribution Period Date.

"**Distribution Amount**" means:

(i) in respect of a Distribution Accrual Period, the amount of distribution payable per Calculation Amount for that Distribution Accrual Period and which, in the case of Fixed Rate Perpetual Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Distribution Payment Date ending the Distribution Period of which such Distribution Accrual Period forms part; and

(ii) in respect of any other period, the amount of distribution payable per Calculation Amount for that period.

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Distribution Determination Date**" means (x) in the case of Non-Singapore Dollar Perpetual Notes, with respect to a Distribution Rate and Distribution Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Distribution Accrual Period if the Specified Currency is Sterling or Renminbi or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Distribution Accrual Period if the Specified Currency is neither Sterling nor euro nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Distribution Accrual Period if the Specified Currency is euro; or (y) in the case of Singapore Dollar Perpetual Notes, in respect of any Distribution Accrual Period, that number of Business Days in Singapore prior to the first day of the Distribution Accrual Period as specified hereon.

"**Distribution Period**" means the period beginning on and including the Distribution Commencement Date and ending on but excluding the first Distribution Payment Date and each successive period beginning on and including a Distribution Payment Date and ending on but excluding the next succeeding Distribution Payment Date.

"**Distribution Period Date**" means each Distribution Payment Date unless otherwise specified hereon.

"**Distribution Rate**" means the rate of distribution payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Reference Banks**" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Time**" means 11.00 a.m. (Singapore time).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(k) **Calculation Agents:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Distribution Rate for a Distribution Accrual Period or to calculate any Distribution Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. No Calculation Agent appointed in respect of the Notes may resign its duties without a successor having been appointed as aforesaid.

5 Redemption and Purchase

(a) **No Fixed Redemption Date:** The Perpetual Notes are perpetual notes in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) **Redemption for Taxation Reasons:** The Perpetual Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date (if this Perpetual Note is a Floating Rate Perpetual Note) or at any time (if this Perpetual Note is not a Floating Rate Perpetual Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount (together with Distributions accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable)), if (i) the Issuer (or if the Guarantee was called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 7 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or the Perpetual Notes will not qualify as "bonds" or "notes" for the purposes of the definition of "qualifying debt securities" in Section 13(16) of the Income Tax Act, Chapter 134 of Singapore ("ITA"), or distributions will not be regarded as interest payable and such payments will not be entitled to the tax concessions and exemptions available to interest payable on "qualifying debt securities" under the ITA, or distributions will not be regarded as sums "payable by way of interest upon money borrowed" for the purposes of Section 14(1)(a) of the ITA, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Perpetual Notes (or Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. The Trustee shall be entitled to, without further enquiry and without liability to any Noteholder, any Couponholder or any other person, accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

(c) **Redemption for Accounting Reasons:** If Redemption for Accounting Reasons is specified hereon, the Perpetual Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount (together with Distributions accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable)) if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council as amended from time to time ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Guarantor as amended from time to time (the "**Relevant Accounting Standards**"), the Perpetual Notes and/or the Guarantee of the Perpetual Notes must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standards.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Guarantor shall deliver to the Trustee a certificate signed by two directors of the Guarantor stating that the circumstances referred to above prevail and setting out the details of such circumstances and an opinion addressed to the Trustee of the Guarantor's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standards is due to take effect. The Trustee shall be entitled without further enquiry and without liability to any Noteholder, Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the entitlement of the Issuer to publish a notice of redemption pursuant to this Condition 5(c). Each such certificate and opinion shall be conclusive and binding on Noteholders and Couponholders. All Perpetual Notes shall be redeemed on the date specified in such notice in accordance with this Condition 5(c), provided that such date for redemption shall be no earlier than 90 days prior to the last day before the date on which the Perpetual Notes and/or the Guarantee of the Perpetual Notes must not or must no longer be so recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standards.

(d) **Redemption for tax deductibility reasons:** The Perpetual Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 14 and to the Trustee, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Registrar, at the Early Redemption Amount as specified in the applicable Pricing Supplement if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(iii) any applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the position advised by the Issuer's tax advisers on or before the Issue Date,

payments by the Issuer would no longer, or within 90 days of the date of the opinion referred to in paragraph (y) below of this Condition 5(d), be fully deductible by the Issuer for Singapore income tax purposes ("**Tax Deductibility Event**"), provided that no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Perpetual Notes would not be fully tax deductible by the Issuer for Singapore profits tax. Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver or procure that there is delivered to the Trustee (x) a certificate signed by two directors of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and (y) an opinion of the Issuer's independent auditors or tax advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime is due to take effect, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 5(d) in which event the same shall be conclusive and binding on the Noteholders. For the purposes of determining whether any payments by the Issuer would be fully deductible by the Issuer for Singapore income tax purposes under this Condition 5(d), interest restriction under the total asset method shall be disregarded.

(e) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Perpetual Notes on any Optional Redemption Date. Any such redemption of Perpetual Notes shall be at their principal amount (together with Distributions accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable)).

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(e).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Perpetual Notes shall specify the principal amount of Registered Perpetual Notes drawn and the holder(s) of such Registered Perpetual Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(f) **Redemption in the case of Minimal Outstanding Amount:** If Minimal Outstanding Amount Redemption Option is specified hereon, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem the Perpetual Notes, in whole, but not in part, at their principal amount (together with Distributions accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable)) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued. All Perpetual Notes shall be redeemed on the date specified in such notice in accordance with this Condition 5(f).

(g) **No Other Redemption:** The Issuer shall not be entitled to redeem the Perpetual Notes and shall have no obligation to make any payment of principal in respect of the Perpetual Notes otherwise than as provided in Condition 5(b) and, to the extent specified hereon, in Conditions 5(c) to 5(g), and as otherwise specified hereon.

(h) **Purchases:** Each of the Issuer, the Guarantor and their respective Subsidiaries as defined in the Trust Deed may at any time purchase Perpetual Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) **Cancellation:** All Perpetual Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Perpetual Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Perpetual Notes, by surrendering the Certificate representing such Perpetual Notes to the Registrar and, in each case, if so surrendered, the same shall, together with all Perpetual Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Perpetual Notes shall be discharged.

6 Payments and Talons

(a) **Bearer Notes:** Payments of principal and Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Notes (in the case of all payments of principal and, in the case of distribution, as specified in Condition 6(f)(v)) or Coupons (in the case of Distributions, save as specified in Condition 6(f)(ii)), as the case may be:

(A) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and

(B) in the case of Renminbi, by transfer to a relevant account maintained by or on behalf of the Noteholder with a bank in Hong Kong. If a holder does not maintain a relevant account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

For the purpose of this Condition 6(a):

"**relevant account**" means the Renminbi account maintained by or on behalf of the Noteholder with:

(i) in the case of Notes cleared through the CMU Service; a bank in Hong Kong; or

(ii) in the case of Notes cleared through the CDP System, a bank in Singapore or Hong Kong.

In this Condition 6(a) and in Condition 6(b), "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Perpetual Notes:**

(A) Payments of principal in respect of Registered Perpetual Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(B).

(B) Distribution on Registered Perpetual Notes shall be paid to the person shown on the Register at the close of business (i) on the fifteenth day before the due date for payment thereof or (ii) in the case of Perpetual Notes denominated in Renminbi, on the fifth day before the due date for payment thereof (the "**Record Date**"). Payments of Distributions on each Registered Perpetual Note shall be made:

(x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Perpetual Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of Distributions may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(y) in the case of Renminbi, by transfer to the registered account of the Noteholder. If a holder does not maintain a registered account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

For the purposes of this Condition 6(b):

"**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with:

(i) in the case of Notes cleared through the CMU Service, a bank in Hong Kong; or

(ii) in the case of Notes cleared through the CDP System, with a bank in Singapore or Hong Kong,

details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Fiscal Laws:** Save as provided in Condition 7, all payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer or the Guarantor agrees to be subject and the Issuer or the Guarantor will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Perpetual Notes, (iii) a Transfer Agent in relation to Registered Perpetual Notes, (iv) a CMU Lodging and Paying Agent in relation to Perpetual Notes accepted for clearance through the CMU Service, (v) a CDP Paying

Agent in relation to Perpetual Notes cleared through the CDP System, (vi) one or more Calculation Agent(s) where the Conditions so require, (vii) such other agents as may be required by any other stock exchange on which the Perpetual Notes may be listed and (viii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 6(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Perpetual Notes, such Perpetual Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the principal amount or Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Perpetual Note, unmatured Coupons relating to such Perpetual Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Perpetual Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Perpetual Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer or the Issuing and Paying Agent may require.

(v) If the due date for redemption of any Perpetual Note is not a Distribution Payment Date, Distributions accrued from the preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying

Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 6(h), "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day; or

(iii) (in the case of Renminbi cleared through the CMU Service) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; or

(iv) (in the case of Renminbi cleared through the CDP System) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.

(i) **Renminbi fallback**: Notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, neither the Issuer nor the Guarantor, in their sole discretion, is able to satisfy payments of principal or distributions in respect of Notes when due in Renminbi (in the case of Notes cleared through the CMU Service) in Hong Kong, or (in the case of Notes cleared through the CDP System) in Singapore, the Issuer or the Guarantor as the case may be, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment (in the case of Notes cleared through the CMU Service) in US dollars, or (in the case of Notes cleared through the CDP System) in Singapore dollars, on the due date at, (in the case of Notes cleared through the CMU Service), the US Dollar Equivalent or, (in the case of Notes cleared through the CDP System), the Singapore Dollar Equivalent of any such Renminbi denominated amount.

In such event, payment of the US Dollar Equivalent or the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Notes shall be made by:

(i) in the case of Notes cleared through the CMU Service, a US dollar denominated cheque drawn on a bank in New York City and mailed to the holder (or to the first named of joint holders) of the Notes at its address appearing in the Register, or, upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, by transfer to a US dollar denominated account with a bank in New York City; or

(ii) in the case of Notes cleared through the CDP System, transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore.

In this Condition:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange):

(i) in the case of Notes cleared through the CMU Service, in Hong Kong, in Singapore and in New York City; or

(ii) in the case of Notes cleared through the CDP System, in Singapore;

"**Determination Date**" means the day which:

(i) in the case of Notes cleared through the CMU Service, is two Determination Business Days before the due date of the relevant amount under these Conditions; or

(ii) in the case of Notes cleared through the CDP System, is seven Determination Business Days before the due date of the relevant amount under these Conditions;

"**Governmental Authority**" means:

(i) in the case of Notes cleared through the CMU Service, any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; or

(ii) in the case of Notes cleared through the CDP System, the Monetary Authority of Singapore or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Illiquidity**" means:

(i) in the case of Notes cleared through the CMU Service, the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay distributions or principal in respect of the Notes as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers; or

(ii) in the case of Notes cleared through the CDP System, the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay distributions or principal in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer or the Guarantor to convert any amount due in respect of the Notes in the general Renminbi exchange market in, in the case of Notes cleared through the CMU Service, Hong Kong, or, in the case of Notes cleared through the CDP System, Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to transfer Renminbi between accounts:

(i) in the case of Notes cleared through the CMU Service, inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation) in Hong Kong and in New York City; or

(ii) in the case of Notes cleared through the CDP System, inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Renminbi Dealer**" means an independent foreign exchange dealer of international reports active in the Renminbi exchange market in:

(i) in the case of Notes cleared through the CMU Service, Hong Kong; and

(ii) in the case of Notes cleared through the CDP System, in Singapore;

"**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Spot Rate**" means:

(i) in the case of Notes cleared through the CMU Service, the [spot CNY/U.S. Dollar exchange rate for the purchase of U.S. Dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by an agent (the "**Calculation Agent**") at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF.]/[CNY/U.S. Dollar official fixing rate, expressed as the amount of CNY per one U.S. Dollar, for settlement in two Determination Business Days reported by the Treasury Markets Association which appears on Reuters page <CNHFIX> at approximately 11:15 a.m. (Hong Kong time)].

If such rate is not available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. Dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; or

(ii) in the case of Notes cleared through the CDP System, for a Determination Date, means the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11.00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(i) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agents and all Noteholders; and

"**US Dollar Equivalent**" means the Renminbi amount converted into US dollars using the relevant Spot Rate for the relevant Determination Date.

7 Taxation

All payments of principal and Distributions (including any Arrears of Distribution and any Additional Distribution Amount) by or on behalf of the Issuer or the Guarantor in respect of the Perpetual Notes and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Singapore Dollar Perpetual Notes, the Issuer or, as the case may be, the Guarantor will not be obliged to pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Singapore Dollar Perpetual Notes for, or on account of, any such taxes or duties, and in relation to Non-Singapore Dollar Perpetual Notes, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Perpetual Note or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Perpetual Note or Coupon by reason of his having some connection with Singapore other than the mere holding of the Perpetual Note or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the

ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) **Payment by another Paying Agent:** (except in the case of Registered Perpetual Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Perpetual Note or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Perpetual Note (or relative Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Notes, any Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it and (ii) "**principal**", "**Distribution**", "**Arrears of Distribution**" and "**Additional Distribution Amount**" shall be deemed to include any additional amounts in respect of any principal, Distribution, Arrears of Distribution or Additional Distribution Amount (as the case may be) may be payable under this Condition 7 or any undertaking given in addition to or in substitution for it under the Trust Deed.

8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Perpetual Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of Distributions) from the appropriate Relevant Date in respect of them.

9 Non-payment

(a) **Non-payment when due:** Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 4(h). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer and/or the Guarantor in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Notes or the Trust Deed.

(b) **Proceedings for winding-up:** If (i) an order is made or an effective resolution is passed for the winding-up of the Issuer or the Guarantor or (ii) the Issuer shall not make payment in respect of the Perpetual Notes or the Guarantor shall not make payment in respect of the Guarantee, as the case may be, for a period of 10 days or more after the date on which such payment is due (together the "**Enforcement Events**"), the Issuer (or, as the case may be, the Guarantor) shall be deemed to be in default under the Trust Deed and the Perpetual Notes (in the case of the Issuer) and the Guarantee (in the case of the Guarantor) and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer (or, as the case may be, the

Guarantor) and/or prove in the winding-up of the Issuer (or, as the case may be, the Guarantor) and/or claim in the liquidation of the Issuer and/or the Guarantor for such payment.

(c) **Enforcement:** Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer or the Guarantor institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer and/or the Guarantor under the Perpetual Notes or the Guarantee (other than any payment obligation of the Issuer or the Guarantor under or arising from the Perpetual Notes or the Guarantee, including, without limitation, payment of any principal or premium or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Perpetual Notes or the Guarantee, including any damages awarded for breach of any obligations) and in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) **Entitlement of Trustee:** The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or 9(c) against the Issuer and/or the Guarantor to enforce the terms of the Trust Deed, the Guarantee or the Perpetual Notes unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the Noteholders of at least twenty five per cent. in principal amount of the Perpetual Notes then outstanding and (ii) it shall have first been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) **Right of Noteholders:** No Noteholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the winding-up or claim in the liquidation of the Issuer and/or the Guarantor or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder shall have only such rights against the Issuer and/or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) **Extent of Noteholders' remedy:** No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 9, shall be available to the Trustee or the Noteholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Notes or the Guarantee or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Trust Deed, the Guarantee or the Perpetual Notes (as applicable).

10 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Perpetual Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than fifty per cent. in principal amount of the Perpetual Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Perpetual Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Perpetual Notes or to amend the dates of redemption of the

Perpetual Notes, or the dates on which any Distribution (including Arrears of Distribution or Additional Distribution Amounts) is payable on the Perpetual Notes, (ii) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Notes, (iii) to reduce the Distribution Rate in respect of the Perpetual Notes or to vary the method or basis of calculating the Distribution Rate or the basis for calculating any Distribution Amount in respect of the Perpetual Notes, (iv) if a Minimum Distribution Rate and/or a Maximum Distribution Rate or Redemption Amount is shown hereon, to reduce any such Minimum Distribution Rate and/or Maximum Distribution Rate, (v) to vary any method of, or basis for, calculating the Early Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Perpetual Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (viii) to modify or cancel the Guarantee, or (ix) if this Perpetual Note is a Subordinated Perpetual Note, to amend the subordination provisions in the Trust Deed, the Guarantee relating to the Subordinated Perpetual Notes or these Conditions (as they relate to the subordination of Subordinated Perpetual Notes), in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent. in principal amount of the Perpetual Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Perpetual Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Perpetual Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification and Waiver of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or CMU and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

(c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or the substitution of the Guarantor's successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, as the case may be, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the

Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of the Noteholders, shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

11 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor, any Subsidiary of the Issuer or the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee, the Noteholders and the Couponholders.

12 Replacement of Perpetual Notes, Certificates, Coupons and Talons

If a Perpetual Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer, the Guarantor, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Perpetual Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Perpetual Notes in all respects (or in all respects except for the first payment of Distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Perpetual Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 13 and forming a single series with the Perpetual Notes. Any further securities forming a single series with the outstanding securities of any series (including the Perpetual Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

14 Notices

Notices to the holders of Registered Perpetual Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Perpetual Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Perpetual Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Perpetual Note or Coupon, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 15, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Perpetual Note or Coupon or any other judgment or order.

16 Rights of Third Parties

No person shall have any right to enforce any term or condition of the Notes under the [Contracts (Rights of Third Parties) Act 1999] [1]/[Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore] [2].

17 Governing Law and Jurisdiction

(a) **Governing Law:** The Trust Deed [as supplemented by the Supplemental Trust Deed][2], the Perpetual Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English][1]/[Singapore][2] law, except that the subordination provisions set out in Condition 3(b) applicable to the Issuer and the Guarantor shall be governed by and construed in accordance with the laws of the Republic of Singapore.

(b) **Jurisdiction:** The Courts of [England][1]/[Singapore][2] are to have jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Notes, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Notes, Coupons, Talons or the Guarantee ("**Proceeding**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of [England][1]/[Singapore][2] and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) [**Service of Process:** Each of the Issuer and the Guarantor has in the Trust Deed irrevocably appointed TMF Corporate Services Limited of 6 St Andrew Street, 5th Floor, London, EC4A 3AE, United Kingdom as their agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment (in accordance with Condition 14) and the Trustee. Nothing shall affect the right to serve process in any manner permitted by law.][1]

---

1 Include for Notes governed by English law.

2 Include for Notes governed by Singapore law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

Global Notes and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"), CDP or a sub-custodian for the HKMA as operator of the CMU, or registration of Registered Notes in the name of (i) any nominee for Euroclear and Clearstream, Luxembourg, (ii) CDP and/or (iii) the HKMA as operator of the CMU and delivery of the relative Global Certificate to the Common Depositary or CDP or a sub-custodian for the HKMA as operator of the CMU (as the case may be), the relevant clearing system will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of, and registration of, Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP, DTC or any other clearing system (each an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP, DTC or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or Global Certificate is lodged with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU rules and procedures as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified. The CMU may require the issue and deposit of such permanent Global Note with a sub-custodian without permitting the withdrawal of the temporary Global Note so exchanged, although any interests thereon exchanged shall have been properly effected in its records.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if the permanent Global Note is cleared through the CDP System (as defined in "Clearance and Settlement – The Clearing Systems – CDP") and (a) in the case of Notes other than Perpetual Notes, an Event of Default (as defined in "Terms and Conditions of the Notes other than the Perpetual Notes") has occurred and is continuing, (b) in the case of Perpetual Notes, an Enforcement Event (as defined in "Terms and Conditions of the Perpetual Notes") has occurred and is continuing, (c) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (d) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (e) CDP has notified the Issuer that it is unable or unwilling to act as depository for the

Notes and to continue performing its duties as set out in the "Depository Services for Issuers of Debt and Preference Shares – Terms and Conditions" as set out in the application form prepared by the Issuer and submitted to CDP and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

(i) Unrestricted Global Certificates

If the Pricing Supplement states that the Notes are to be represented by an Unrestricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg, CDP, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by an Unrestricted Global Certificate pursuant to Condition 2(b) may only be made in part:

(a) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(b) with the consent of the Issuer; or

(c) if the Unrestricted Global Certificate is cleared through CDP and:

- in the case of Notes other than Perpetual Notes, an Event of Default has occurred and is continuing; or

- in the case of Perpetual Notes, an Enforcement Event has occurred and is continuing; or

- CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or

- CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

- CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the "Depository Services for Issuers of Debt and Preference Shares – Terms and Conditions" as set out in the application form prepared by the Issuer and submitted to CDP and no alternative clearing system is available, provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

(ii) Restricted Global Certificates

If the Pricing Supplement states that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in DTC. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of DTC, but will limit the circumstances in which the Notes may be withdrawn from DTC.

Transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 2(b) may only be made:

(a) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

(b) in whole or in part, with the Issuer's consent,

provided that, in the case of any transfer pursuant to (i) above, the relevant Noteholder has given the relevant Registrar not less than 30 days' notice at its specified office of the Noteholder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "Transfer Restrictions".

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

The CMU may require the issue and deposit of such permanent Global Note with a sub-custodian without permitting the withdrawal of the temporary Global Note so exchanged, although any interests thereon exchanged shall have been properly effected in its records.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(e)(ix) and Condition 8(d) of the Terms and Conditions of the Notes other than Perpetual Notes (in the case of Notes other than Perpetual Notes) and Condition 6(e)(viii) and Condition 7(d) of the Terms and Conditions of the Perpetual Notes (in the case of Perpetual Notes) will apply to the Definitive Notes only.

For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "business day" set out in Condition 7(h) of the Terms and Conditions of the Notes other than the Perpetual Notes (in the case of Notes other than Perpetual Notes) or Condition 6(h) of the Terms and Conditions of the Perpetual Notes (in the case of Perpetual Notes).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through CDP or the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

All payments in respect of Notes represented by a Global Certificate held through CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day before the due date for payment.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) at the relevant time on the day immediately prior to the date of payment on which the CMU is operating and open for business and, save in the case of final payment, no presentation of the relevant Global Note or Global Certificate shall be required for such purpose.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 of the Terms and Conditions of the Notes other than the Perpetual Notes (in the case of Notes other than Perpetual Notes) or Condition 7 of the Terms and Conditions of the Perpetual Notes (in the case of Perpetual Notes)).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, CDP, the CMU, DTC or any other clearing system (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such permanent Global Note, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent), for notation. Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Certificate may be exercised in respect of the whole or any part of the holding of Notes represented by such Global Certificate.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of:

(i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) and (iii) below of this paragraph 4.9), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate; or

(ii) CDP, subject to the agreement of CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate; or

(iii) the CMU, notices to holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

5 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used for the purpose of refinancing existing borrowings, financing the investments and general corporate purposes of the Issuer and the Guarantor unless otherwise specified in the relevant Pricing Supplement.

TAXATION

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

In addition, the disclosure below is on the assumption that the Inland Revenue Authority of Singapore (the "**IRAS**") regards each tranche of the Perpetual Notes as "debt securities" for the purposes of the ITA and that interest payments made under each tranche of the Perpetual Notes will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the Qualifying Debt Securities Scheme are satisfied.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 20.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank, Singapore Branch and United Overseas Bank Limited, each of which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2013 and, pursuant to the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" (the "**MAS Circular**") issued by MAS on 28 June 2013, during the period from 1 January 2014 to 31 December 2018, would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing to the MAS and such other relevant authorities as may be prescribed a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

The MAS Circular further states that, with effect from 1 January 2014, the relevant arrangement requirements for QDS issued under a programme from 1 January 2014 to 31 December 2018 (including programmes arranged prior to 1 January 2014) include that the programme must be wholly arranged by Financial Sector Incentive – Capital Market, Financial Sector Incentive – Standard Tier or FSI-BM companies.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as qualifying debt securities ("**QDS**"); and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (the "**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the submission of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2013 and, pursuant to the MAS Circular, during the period from 1 January 2014 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer, shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS Scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**SFRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with SFRS 39. Please see the section below on "Adoption of SFRS 39 Treatment for Singapore Income Tax Purposes".

Adoption of SFRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of SFRS 39-Financial Instruments: Recognition and Measurement" (the "**SFRS 39 Circular**"). The ITA has since been amended to give effect to the SFRS 39 Circular.

The SFRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with SFRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the SFRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

FATCA Withholding

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), non-U.S. financial institutions that enter into agreements with the IRS ("**IRS Agreements**") or become subject to provisions of local law intended to implement an intergovernmental agreement ("**IGA legislation**") entered into pursuant to FATCA, may be required to identify "financial accounts" held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In order (a) to obtain an exemption from FATCA withholding on payments it receives and/or (b) to comply with any applicable laws in its jurisdiction, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information or documentation made on or after (i) 1 July 2014 in respect of certain U.S. source payments, (ii) 1 January 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce U.S. source interest or dividends and (iii) 1 January 2017 (at the earliest) in respect of "foreign passthru payments" and then only on "obligations" that are not treated as equity for U.S. federal income tax purposes and that are issued or materially modified on or after (a) 1 July 2014, and (b) if later, in the case of an obligation that pays only foreign passthru payments, the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register.

Whilst the Notes are in global form and held within the Clearing Systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depositary, given that each of the entities in the payment chain between the Issuer and the participants in the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the securities. The documentation expressly contemplates the possibility that the securities may go into definitive form and therefore that they may be taken out of the Clearing Systems. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive Notes will only be printed in remote circumstances.

EU Directive on the Taxation of Savings Income

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other EU Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to control imposed under PRC law.

Current Account Items

Under the PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010 and August 2011 respectively, the PRC government promulgated the *Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades and the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement*, two Circulars with regard to the expansion of designated cities and offshore jurisdictions implementing the pilot Renminbi settlement scheme for cross-border trades. Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, and (iii) the restriction on designated offshore districts has been lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items between them. Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC.

The circulars will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these circulars and impose conditions for settlement of current account items.

Capital Account Items

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

On 7 April 2011, the State Administration of Foreign Exchange ("**SAFE**") issued the *Notice on Relevant Issues regarding Streamlining the Business Operation of Cross-border RMB Capital Account Items*, which clarifies that the borrowing by an onshore entity (including a financial institution) of Renminbi loans from an offshore creditor shall in principle follow the current regulations on borrowing foreign debts and the provision by an onshore entity (including a financial institution) of external guarantees in Renminbi shall in principle follow the current regulations on the provision of external guarantees in foreign currencies.

On 12 October 2011, MOFCOM promulgated the MOFCOM RMB FDI Circular, and pursuant to which, prior written consent from the appropriate office of MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for RMB FDI. The MOFCOM RMB FDI Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in the PRC domestic listed companies through private placements or share transfers by agreement.

On 13 October 2011, the PBOC issued the PBOC RMB FDI Measures which set out operating procedures for PRC banks to handle RMB settlement relating to RMB FDI and borrowing by foreign investment enterprises of offshore RMB loans. Prior to the PBOC RMB FDI Measures, cross-border RMB settlement for RMB FDI has required approvals on a case-by-case basis from the PBOC. The new rules replace the PBOC approval requirement with less onerous post-event registration and filing requirements. Foreign invested enterprises, whether established or acquired by foreign investors, shall complete the corporate information registration after the completion of relevant RMB FDI transactions, and shall make post-event registration or filing with the PBOC of increases or decreases in registered capital, equity transfers or swaps, merger or acquisition or other changes to registered information.

Such notices will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg, CDP, the CMU and DTC or any other clearing system (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, any other party to the Agency Agreement, the Arrangers nor any Dealer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the clearing system(s) applicable for each Series.

Bearer Notes

The Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through CDP or the CMU. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, with CDP or with a sub-custodian for the HKMA as operator of the CMU. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, CDP, Euroclear and Clearstream, Luxembourg. Each Global Note will have an International Securities Identification Number ("**ISIN**") and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Note through Euroclear or Clearstream, Luxembourg, CDP or the CMU, as the case may be.

Registered Notes

The Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by an Unrestricted Global Certificate. The Issuer may also apply to have Notes represented by a Global Certificate accepted for clearance through CDP or the CMU. Transfers of interests in a Global Certificate will be made in accordance with the normal market debt securities operating procedures of the CMU, CDP, Euroclear and Clearstream, Luxembourg. Each Unrestricted Global Certificate will have an ISIN and a Common Code or a CMU Instrument Number. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream, Luxembourg, CDP or the CMU, as the case may be.

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Notes", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the Custodian, with whom the Restricted Global Certificates are deposited, and DTC, will electronically record the nominal amount of the Restricted Notes held within the DTC system.

Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Restricted Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the CMU Lodging and Paying Agent, nor any Transfer Agent will have any responsibility or liability for any aspect of the records relating, to or payments made on account of, ownership interests in any Restricted Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Pricing Supplement, and, in the case of Notes initially represented by a Restricted Global Certificate, in minimum amounts of U.S.$100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of U.S.$1,000, in certain limited circumstances described below.

Payments through DTC

Payments in U.S. Dollars of principal and interest in respect of a Restricted Global Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Note. Payments of principal and interest in a currency other than U.S. Dollars in respect of Notes evidenced by a Restricted Global Certificate registered in the name of a nominee of DTC will be made or procured to be made by the Issuing and Paying Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Issuing and Paying Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Issuing and Paying Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such currency. An exchange agent will convert amounts in such currency into U.S. Dollars and deliver such U.S. Dollar amount to the Issuing and Paying Agent in same day funds for delivery to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear, Clearstream, Luxembourg, CDP, the CMU and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest. Beneficial interests in an Unrestricted Global Certificate may only be held through CDP, Euroclear or Clearstream, Luxembourg. In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the distribution compliance period (as used in "Subscription and Sale") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Unrestricted Global Certificate to the Issuing and Paying Agent of details of that account at DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Issuing and Paying Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. As there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Issuing and Paying Agent, the Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Issuing and Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "Transfer Restrictions" DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for Individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Issuing and Paying Agent, the CDP Paying Agent, the CMU Lodging and Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by Individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Euroclear and Clearstream, Luxembourg, CDP, the CMU or DTC will be permitted only: (i) in the case of Restricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Global Certificates – Restricted Global Certificates"; or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Global Certificates – Unrestricted Global Certificates". In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

(i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and

(ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle within three business days ("**T+3**"), unless the parties to any such trade expressly agree otherwise. Accordingly, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers who wish to trade Registered Notes in the United States between the date of pricing and the date that is three business days prior to the relevant Issue Date will be required, by virtue of the fact that such Notes initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is three business days prior to the relevant Issue Date should consult their own adviser.

Clearance and Settlement

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg, CDP and the CMU currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Guarantor and the Issuer believe to be reliable, but none of the Issuer, the Guarantor the Arrangers, the Trustee, any Agent or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by any Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant Clearing System's rules and procedures.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**CDP System**") maintained by CDP. CDP, a wholly owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate for persons holding the Notes in securities accounts with CDP (the "**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the CDP System may only be effected through certain corporate depositors (the "**Depository Agents**") approved by CDP under the Companies Act, Chapter 50 of Singapore, to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the CDP System must be held in securities sub-accounts with Depository Agents. Depositors holding Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Trustee, the Paying Agent in Singapore or any other Agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

The CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Notes**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Notes issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear or Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Notes. Instead, the HKMA advises the lodging CMU Member (or a designated Paying Agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Notes are credited, whereupon the lodging CMU Member (or the designated Paying Agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

Although CMU has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Trustee, the Paying Agent in Singapore or any other Agent will have the responsibility for the performance by CMU of its obligations under the rules and procedures governing its operations.

DTC

DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions among participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to the DTC system is available to others such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly ("**indirect participants**").

DTC makes payments only in U.S. Dollars. DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for Individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 3 August 2012 (the "**Dealer Agreement**") between the Issuer, the Guarantor, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and certain of their affiliates have performed and may continue to perform certain investment banking, commercial banking and advisory services for the Issuer, the Guarantor and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of their business and receive fees for so acting.

In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, any of the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, the Notes may not be offered or sold within the United States. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes within the United States, except as permitted by the Dealer Agreement.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, or sell or, in the case of Bearer Notes, deliver (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such sale is made otherwise than in accordance with Rule 144A.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States other than any QIB within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Offering Circular by any person outside the United States or by any QIB to any person within the United States other than any QIB and those persons retained to advise such persons with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States other than any qualified institutional buyer and those persons retained to advise such persons with respect thereto, is prohibited.

European Economic Area – Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant

Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such offering circular has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a offering circular pursuant to Article 3 of the Prospectus Directive or supplement a offering circular pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed to the Programme will be required to represent and agree that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS and Notes will be issued in Singapore pursuant to an exemption invoked under Section 274 and/or 275 of the SFA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes to be issued from time to time by the Issuer and/or the Guarantor pursuant to the Programme have not been and will not be circulated or distributed, nor the Notes offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan Law No. 25 of 1948, as amended (the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws, regulations and ministerial guidelines of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement therefore in all cases at its own expense.

TRANSFER RESTRICTIONS

Restricted Notes

Each purchaser of Restricted Notes, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

(i) It is (a) a QIB, (b) acquiring such Restricted Notes for its own account, or for the account of one or more QIBs, and (c) aware, and each beneficial owner of the Restricted Notes has been advised, that the sale of the Restricted Notes to it is being made in reliance on Rule 144A.

(ii) The Restricted Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) in each case in accordance with any applicable securities laws of any State of the United States and (ii) it will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of the Restricted Notes from it of the resale restrictions on the Restricted Notes.

(iii) The Restricted Notes, unless the Issuer determines otherwise in accordance with applicable law, will bear a legend (the "**Rule 144A Legend**") in or substantially in the following form:

THIS NOTE AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**") THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT ("**RULE 144**"), IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE NOTES.

(iv) It understands that the Issuer, the Guarantor, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(v) It understands that the Restricted Notes will be represented by a Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate or as the case may be, Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Notes

Each purchaser of Unrestricted Notes and each subsequent purchaser of such Unrestricted Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Prospectus and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

(i) It is, or at the time Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(ii) It understands that such Unrestricted Notes and the Guarantee have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Unrestricted Notes except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account, or for the account of one or more QIBs or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(iii) It understands that the Unrestricted Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend in or substantially in the following form:

"THIS NOTE AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."

(iv) It understands that the Issuer, the Guarantor, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(v) It understands that the Unrestricted Notes will be represented by an Unrestricted Global Certificate, or as the case may be, a Global Note. Prior to the expiration of the distribution compliance period, before any interest in an Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Delivery of the Notes may be made against payment thereof on or about a date which will occur more than three business days after the date of pricing of the Notes. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes may initially settle on or about a date which will occur more than three business days after the date of pricing of the Notes to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or the next succeeding business day should consult their own advisor.

FORM OF PRICING SUPPLEMENT FOR NOTES OTHER THAN PERPETUAL NOTES

The form of Pricing Supplement that will be issued in respect of each Tranche of Notes other than Perpetual Notes, subject only to the deletion of non-applicable provisions, is set out below:

[*Date*]

CAPITALAND TREASURY LIMITED

S$5,000,000,000
Euro Medium Term Note Programme

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
unconditionally and irrevocably guaranteed by CapitaLand Limited

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated 2 September 2013 [and the supplemental Offering Circular dated [date] (together, the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date:*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [●] [and the supplemental Offering Circular dated [date] (together, the "**Offering Circular**")]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular, save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement*.]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency*.]

1	(a)	Issuer:	CapitaLand Treasury Limited
	(b)	Guarantor:	CapitaLand Limited
2	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5	(a)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable, in the case of fungible issues only*)]
	(b)	[Net Proceeds:	[●] (*include for listed issues.*)]
6	(a)	Specified Denominations:	[●] *(Note – where multiple denominations above [C100,000] or equivalent are being used the following sample wording should be followed:* *"[C100,0] and integral multiples of [C1,000] in excess thereof up to and including [C199,000]. No Notes in definitive form will be issued with a denomination above [C199,000].")* *(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the [C100,000] minimum denomination is not required.)* *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)*
	(b)	Calculation Amount:	[●] *(If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[*Specify/Issue Date/Not Applicable*] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8	Maturity Date:	[*Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month*]][1]
9	Interest Basis:	[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/SIBOR/SOR] [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	(a) Status of the Notes:	[Senior]
	(b) Status of the Guarantee:	[Senior]
14	Listing:	[SGX-ST/Other (specify)/None]
15	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear] *(If payable other than annually, consider amending Condition [5](Interest and Other Calculations))*

1 Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

	(b)	Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date]/[specify other][2] *(N.B. This will need to be amended in the case of long or short coupons)*
	(c)	Fixed Coupon Amount(s):	[●] per Calculation Amount [3]
	(d)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed) or [specify other]]
	(f)	[Determination Date(s):	[●] in each year *[(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon* *N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]*
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/Give details]
17	Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *[specify other]*]
	(c)	Additional Business Centre:	[●]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[●]

2 Note that for certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "**Business Day**" means a day, other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Singapore [and [●]]."

3 For Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.05 in the case of Renminbi denominated Fixed Rate Notes or to the nearest HK$0.01, HK$0.005 in the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards."

(f) Screen Rate Determination:	
(i) Reference Rate:	[●] *(Either LIBOR, EURIBOR, SIBOR, SOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
(ii) Interest Determination Date(s):	[●] *(Second Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
(iii) Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
(g) ISDA Determination:	
(i) Floating Rate Option:	[●]
(ii) Designated Maturity:	[●]
(iii) Reset Date:	[●]
(h) Margin(s):	[●] per cent. per annum
(i) Minimum Rate of Interest:	[●] per cent. per annum
(j) Maximum Rate of Interest:	[●] per cent. per annum
(k) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Other] *(See Condition [5] (Interest and Other Calculations) for alternatives)*
(l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18 Zero Coupon Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a) [Amortisation/Accrual] Yield:	[●] per cent. per annum
(b) Reference Price:	[●]

	(c)	Any other formula/basis of determining amount payable:	[●]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Condition 6(b)(i)] [Redemption, Purchase and Options – Early Redemption – Zero Coupon Notes] *(Consider applicable day count fraction if not U.S. Dollar denominated)*
19	Index Linked Interest Note Provisions		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Index/Formula:	*[give or annex details]*
	(b)	Calculation Agent:	*[give name]*
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Issuing and Paying Agent):	[●]
	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	*[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
	(e)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
	(g)	Additional Business Centre:	[●]
	(h)	Minimum Rate of Interest:	[●] per cent. per annum
	(i)	Maximum Rate of Interest:	[●] per cent. per annum
	(j)	Day Count Fraction:	[●]
20	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	*[give or annex details]*
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Issuing and Paying Agent):	[●]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	*[need to include a description of market disruption or settlement disruption events and adjustment provisions]*

	(d)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other/see Appendix*]
	(c)	If redeemable in part:	[●]
		(i) Minimum Redemption Amount:	[●]
		(ii) Maximum Redemption Amount:	[●]
	(d)	Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or Trustee)*
22	Investor Put:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
	(c)	Notice period (if other than as set out in the Conditions):	[●] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or Trustee)*
23	Final Redemption Amount:		[[●] per Calculation Amount/specify other/see Appendix]

24	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6 (*Redemption, Purchase and Options*)):	[[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]] [Registered Notes: Global Registered Note ([●]) nominal amount [exchangeable for Registered Notes in definitive form]] *(Ensure that this is consistent with the wording in the "Summary of the Programme – Form of the Notes")* section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: *"[C100,000] and integral multiples of [C1,000] in excess thereof up to and including [C199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
26	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/give details] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(c) and 19(g) relate)*
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]

28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
30	Other final terms:	[Not Applicable/*give details*]
31	Place for Notices:	[specify]

DISTRIBUTION

32	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
33	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
34	U.S. Selling Restrictions:	[Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
35	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

(i)	ISIN Code:	[●]
(ii)	Common Code	[●]
(iii)	CUSIP:	[●]
(iv)	Any clearing system(s) other than DTC, CDP, Euroclear Bank S.A./N.V. and Clearstream Banking, *société* anonyme and the relevant identification number(s):	[CMU Service/Not Applicable/give name(s) and number(s)]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of additional Paying Agent(s) (if any):	[●]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on [Singapore Exchange Securities Trading Limited] [or specify other relevant regulated market] of the Notes described herein pursuant to the S$5,000,000,000 Euro Medium Term Note Programme of CapitaLand Treasury Limited.

[STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Issuer[, the Guarantor] or of the Group since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer[, the Guarantor] or of the Group since [insert date of last published annual accounts.]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of CapitaLand Treasury Limited

By: ______________________________

Duly authorised

Signed on behalf of CapitaLand Limited

By: ______________________________

Duly authorised

FORM OF PRICING SUPPLEMENT FOR PERPETUAL NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Perpetual Notes issued under the Programme.

[*Date*]

CAPITALAND TREASURY LIMITED

S$5,000,000,000
Euro Medium Term Note Programme

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
unconditionally and irrevocably guaranteed by CapitaLand Limited

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated 2 September 2013 [and the supplemental Offering Circular dated [date] (together, the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Perpetual Notes and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date:*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [●] [and the supplemental Offering Circular dated [date] (together, the "**Offering Circular**")]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular, save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement*.]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency*.]

1	(i)	Issuer	CapitaLand Treasury Limited
	(ii)	Guarantor	CapitaLand Limited
2	(i)	[Series Number:]	[●]
	(ii)	[Tranche Number: *(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)*]	[●]
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		
	(i)	[Series:]	[●]
	(ii)	[Tranche:	[●]]
5	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
	(ii)	Net Proceeds:	[●]
6	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(ii)	Distribution Commencement Date:	[●]
8	Distributions:		
	(i)	Distribution Rate:	[[●] per cent. Fixed Rate] [[specify reference rate] +/– [●] per cent. Floating Rate] [Other (*specify*)] (further particulars specified below)
	(ii)	Distribution Deferral:	[●]]
	(iii)	Cumulative Deferral:	[●]
	(iv)	Non-Cumulative Deferral; Optional Distribution:	[●]]
	(v)	Additional Distribution:	[●]
	(vi)	Dividend Stopper:	[●]
9	Look Back Period:		[●]

10	Redemption/Payment Basis:		[Issuer Call Option Redemption] [Holder Call Option Redemption] [Redemption for Accounting Reasons] [Redemption for Taxation Reasons] [Redemption for tax deductibility reasons] [Redemption in the case of Minimal Outstanding Amount]
11	Early Redemption Amount:		
	(i)	Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same:	[●]
	(ii)	Make-Whole Amount:	[●]]
	(iii)	Reference Rate(s):	[●] [Singapore Dollar Swap Offer Rate] *[Specify in any other case]*
12	Change of Redemption/Payment Basis:		*[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
13	Call Option:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	First Call Date:	[●]
	(ii)	[Additional Call Dates:]	[●]
14	Status of the Perpetual Notes:		[Senior Perpetual Notes/Subordinated Perpetual Notes]
15	Parity Obligations:		[●]
16	Junior Obligations:		[●]
17	Listing and admission to trading:		[[●] (*specify*)/None]
18	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO DISTRIBUTIONS (IF ANY) PAYABLE

19	Fixed Rate Perpetual Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub – paragraphs of this paragraph)*
	(i)	Distribution Rate:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]
	(ii)	Distribution Payment Date(s):	[●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Center(s) for the definition of "Relevant Business Day"]/[not adjusted]*

(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[1]
(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Distribution Payment Date falling [in/on] [●]
(v)	Day Count Fraction:	[30/360/Actual/Actual(ICMA/ISDA)/other]
(vi)	[Distribution Determination Dates:	[●] in each year *(insert regular distribution payment dates, ignoring issue date in the case of a long or short first coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
(vii)	Other terms relating to the method of calculating distribution for Fixed Rate Perpetual Notes:	[Not Applicable/*give details*]

20	Floating Rate Perpetual Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i)	Distribution Period(s):	[●]
(ii)	Specified Distribution Payment Dates:	[●]
(iii)	Distribution Period Date:	[●] *(Not applicable unless different from Distribution Payment Date)*
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(v)	Business Centre(s):	[●]
(vi)	Manner in which the Distribution Rate(s) is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
(vii)	Party responsible for calculating the Distribution Rate(s) and Distribution Amount(s) (if not the [Agent]):	[●]
(viii)	Screen Rate Determination:	
	• Reference Rate:	[●] *(Either LIBOR, EURIBOR, HIBOR, SIBOR, SOR or other, although additional information is required if other)*

1 For Renminbi or Hong Kong Dollar denominated Fixed Rate Perpetual Notes where the Distribution Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Perpetual Notes to the nearest HK$0.01, HK$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Perpetual Notes, being rounded upwards".

	• Distribution Determination Date(s):	[●] *(the day falling two Business Days in London for the Specified Currency prior to the first day of such Distribution Accrual Period if the Specified Currency is not Sterling, euro or Hong Kong Dollars or Renminbi or first day of each Distribution Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or the day falling two TARGET Business Days prior to the first day of such Distribution Accrual Period if the Specified Currency is euro)*
	• Relevant Screen Page:	[●] *[(In the case of EURIBOR, if not Reuters page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]*
(ix)	ISDA Determination:	
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]
	• ISDA Definitions:	2006 (if different to those set out in the Conditions, please specify)
(x)	Margin(s):	[+/–][●] per cent. per annum
(xi)	Minimum Rate of Distribution:	[●] per cent. per annum
(xii)	Maximum Rate of Distribution:	[●] per cent. per annum
(xiii)	Day Count Fraction:	[●]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating distributions on Floating Rate Perpetual Notes, if different from those set out in the Conditions:	[●]

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL NOTES

21	Form of Perpetual Notes:	[Bearer Perpetual Notes/Registered Perpetual Notes] [Temporary Perpetual Global Note exchangeable for a Permanent Perpetual Global Note which is exchangeable for Definitive Perpetual Notes in the limited circumstances specified in the Permanent Perpetual Global Note]

		[Temporary Perpetual Global Note exchangeable for Definitive Perpetual Notes on [●] days' notice] *(For this option to be available, such Perpetual Notes shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies) and integral multiples thereof)*
		[Permanent Perpetual Global Note/Global Perpetual Certificate exchangeable for Definitive Perpetual Notes in the limited circumstances specified in the permanent Global Perpetual Note/Global Perpetual Certificate] [Definitive Perpetual Notes]
22	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/give details] *(Note that this paragraph relates to the date and place of payment)*
23	Talons for future Coupons to be attached to Definitive Perpetual Notes (and dates on which such Talons mature):	[Yes/No. If yes, *give details*]
24	Redenomination renominalisation and reconventioning provisions:	[Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
25	Consolidation provisions:	[Not Applicable/The provisions [in Perpetual Note Condition [●]] [annexed to this Pricing Supplement] apply]
26	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

27	(i)	If syndicated, names of Managers:	[Not Applicable/*give name*]
	(ii)	Stabilising Manager (if any):	[Not Applicable/*give name*]
28		If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
29		U.S. selling restrictions:	[Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Perpetual Notes are being offered and sold only in accordance with Regulation S.
30		Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

31	[ISIN Code:	[●]]
32	Common Code:	[●]
33	[CUSIP:]	[●]

34	[CMU Instrument Number:	[●]]
35	Any clearing system(s) other than Euroclear Bank, Clearstream, Luxembourg, CDP and the CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
36	Delivery:	Delivery [against/free of] payment
37	Additional Paying Agent(s) (if any):	[●]

GENERAL

38	The aggregate principal amount of Perpetual Notes in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of:	[Not applicable/Exchange rate of Specified Currency: U.S. Dollar/U.S. Dollar equivalent: [●]]
39	In the case of Registered Perpetual Notes, specify the location of the office of the Registrar:	[●]
40	In the case of Bearer Perpetual Notes, specify the location of the office of the Issuing and Paying Agent if other than London:	[●]
41	Ratings:	[The Perpetual Notes to be issued are unrated]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the *[specify relevant stock exchange/market]* of the Perpetual Notes described herein pursuant to the S$5,000,000,000 Euro Medium Term Note Programme guaranteed by CapitaLand Limited.

[STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Perpetual Notes or effect transactions with a view to supporting the market price of the Perpetual Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Perpetual Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Perpetual Notes and 60 days after the date of the allotment of the Perpetual Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Perpetual Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Perpetual Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Perpetual Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Perpetual Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Issuer[, the Guarantor] or of the Group since [*insert date of last audited accounts or interim accounts (if later)]* and no material adverse change in the financial position or prospects of the Issuer[, the Guarantor] or of the Group since *[insert date of last published annual accounts.]*

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of CapitaLand Treasury Limited

By: ______________________________
Duly authorised

Signed on behalf of CapitaLand Limited as Guarantor

By: ______________________________
Duly authorised

GENERAL INFORMATION

(1) Application has been made for permission to deal in, and for quotation of, any Notes which are agreed at the time of issue to be listed on the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved.

(2) Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme and the Guarantee. The establishment and the update of the Programme were authorised by resolutions of the Board of Directors of the Issuer passed on 31 July 2012. The giving of the Guarantee by the Guarantor was authorised by resolutions of the Board of Directors of the Guarantor passed on 31 July 2012.

(3) Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer, the Guarantor or the Group since 31 December 2012 and no material adverse change in the prospects of the Issuer, the Guarantor or the Group since 31 December 2012.

(4) So far as the Issuer and the Guarantor are aware, there are no legal or arbitration proceedings pending or threatened against the Issuer, the Guarantor or any of their respective subsidiaries the outcome of which, in the opinion of the Issuer and the Guarantor, may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of the Issuer or the Guarantor.

(5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

(6) The Notes may be accepted for clearance through Euroclear, Clearstream, Luxembourg, CDP, and the CMU. In addition, the Issuer may make an application for any Restricted Notes to be accepted for trading in book entry form by DTC. Acceptance by DTC of such Certificates will be confirmed in the relevant Pricing Supplement. The appropriate ISIN and common code or CMU Instrument Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

(7) There are no material contracts entered into other than in the ordinary course of the Issuer's or Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet its obligations to Noteholders in respect of the Notes being issued.

(8) Where information in this Offering Circular has been sourced from third parties this information has been accurately reproduced and as far as the Issuer and the Guarantor is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

(9) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Trustee and the Issuer and Guarantor (as applicable) set out at the end of this Offering Circular:

(i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);

(ii) the Agency Agreement;

(iii) the Memorandum and Articles of Association of each of the Issuer and the Guarantor;

(iv) the most recently published annual report and audited consolidated financial statements of the Guarantor and the most recently published interim accounts of the Guarantor;

(v) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer, the Guarantor or the Trustee as to its holding of Notes and identity);

(vi) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular; and

(vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular.

(10) Copies of the Trust Deed and the Agency Agreement will be available for inspection at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

(11) KPMG LLP of 16 Raffles Quay, #22-00 Hong Leong Building, Singapore 048581 have audited, and rendered unqualified audit reports on, the accounts of the Issuer and the Guarantor for the full years ended 31 December 2011 and 31 December 2012.

INDEX TO FINANCIAL STATEMENTS

Page

Audited Accounts of CapitaLand Limited and its Subsidiaries for the Financial Year ended 31 December 2012

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Member of the Company
CapitaLand Treasury Limited

Report on the financial statements

We have audited the accompanying financial statements of CapitaLand Treasury Limited (the Company), which comprise the balance sheet as at 31 December 2012, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS28.

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 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 financial statements 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 Company as at 31 December 2012 and the results, changes in equity and cash flows of the Company 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 have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
28 March 2013

Balance Sheet
As at 31 December 2012

	Note	2012 $'000	2011 $'000
Non-current assets			
Intangible asset	3	461	–
Amounts due from related corporations	4	1,320,842	1,074,678
		1,321,303	1,074,678
Current assets			
Trade and other receivables		2,492	1,302
Amounts due from related corporations	4	2,760,536	2,782,502
Other financial assets	5	195,000	195,000
Cash and cash equivalents	6	2,878,629	3,056,159
		5,836,657	6,034,963
Total assets		7,157,960	7,109,641
Equity attributable to owner of the Company			
Share capital	7	100,000	100,000
Reserves	8	70,664	39,287
Total equity		170,664	139,287
Non-current liabilities			
Unsecured bank loans	9	1,518,411	1,740,430
Unsecured debt securities	10	1,215,055	728,138
Amounts due to immediate holding company	11	1,418,351	1,416,735
Derivative financial liabilities		4,050	8,440
Deferred tax liabilities	12	2,919	3,138
Liability for cash-settled share-based payments	13	11	15
		4,158,797	3,896,896
Current liabilities			
Trade and other payables	14	21,906	20,449
Amounts due to immediate holding company	11	2,268,560	2,526,154
Amounts due to related corporations	15	273,977	375,954
Unsecured bank loans	9	255,733	147,475
Derivative financial liabilities		2,643	2,725
Current tax payable		5,680	701
		2,828,499	3,073,458
Total liabilities		6,987,296	6,970,354
Total equity and liabilities		7,157,960	7,109,641

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

Income Statement
Year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Revenue	16	189,857	187,319
Other operating income		10	–
Administrative expenses		(2,356)	(2,351)
Other operating expense		(74)	(131)
Profit from operations		187,437	184,837
Finance costs	17	(154,667)	(178,715)
Profit before income tax	17	32,770	6,122
Income tax expense	18	(5,360)	(1,063)
Profit for the year		27,410	5,059

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

Statement of Comprehensive Income
Year ended 31 December 2012

	2012 $'000	2011 $'000
Profit for the year	27,410	5,059
Other comprehensive income:		
Effective portion of changes in fair value of cash flow hedges	3,968	(7,068)
Income tax on other comprehensive income	–	–
Total other comprehensive income for the year, net of income tax	3,968	(7,068)
Total comprehensive income for the year	31,378	(2,009)

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

Statement of Changes in Equity
Year ended 31 December 2012

	Note	Share capital $'000	Hedging reserve $'000	Accumulated profits $'000	Total $'000
At 1 January 2011		100,000	(1,697)	42,994	141,297
Total comprehensive income for the year					
Profit for the year		–	–	5,059	5,059
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges		–	(7,068)	–	(7,068)
Total other comprehensive income		–	(7,068)	–	(7,068)
Total comprehensive income for the year		–	(7,068)	5,059	(2,009)
Transactions with owner, recorded directly in equity					
Dividends to owner	19	–	–	(1)	(1)
Total transaction with owner		–	–	(1)	(1)
At 31 December 2011		100,000	(8,765)	48,052	139,287
At 1 January 2012		100,000	(8,765)	48,052	139,287
Total comprehensive income for the year					
Profit for the year		–	–	27,410	27,410
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges		–	3,968	–	3,968
Total other comprehensive income		–	3,968	–	3,968
Total comprehensive income for the year		–	3,968	27,410	31,378
Transactions with owner, recorded directly in equity					
Dividends to owner	19	–	–	(1)	(1)
Total transaction with owner		–	–	(1)	(1)
At 31 December 2012		100,000	(4,797)	75,461	170,664

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

Statement of Cash Flows
Year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Cash flows from operating activities			
Profit after income tax		27,410	5,059
Adjustments for:			
Income tax expense		5,360	1,063
Interest expense		154,711	178,657
Interest income		(189,287)	(187,049)
Mark-to-market loss/(gain) on derivative instruments		(44)	58
Money market investment income		(267)	(244)
Share-based expenses		42	16
Unrealised foreign exchange loss/(gain)		46	(5,060)
		(2,029)	(7,500)
Changes in working capital:			
Trade and other receivables		(1)	–
Trade and other payables		4	(158)
Amounts due from/to immediate holding company		(257,594)	(761,512)
Amounts from/to related corporations		(410,143)	86,600
Interest received		188,363	186,947
Interest paid		(152,018)	(182,687)
Income taxes paid		(600)	(259)
Net cash used in operating activities		(634,018)	(678,569)
Cash flows from investing activity			
Purchase of intangible asset		(461)	–
Net cash used in investing activity		(461)	–
Cash flows from financing activities			
Dividends paid		(1)	(1)
Proceeds from bank loans		534,538	1,997,207
Repayment of bank loans		(564,035)	(2,003,153)
Proceeds from debt securities		488,200	–
Repayment of debt securities		–	(320,000)
Net cash from/(used in) financing activities		458,702	(325,947)
Net decrease in cash and cash equivalents		(175,777)	(1,004,516)
Cash and cash equivalents at beginning of year		3,056,159	4,071,785
Effect of exchange rate on balances held in foreign currencies		(1,753)	(11,110)
Cash and cash equivalents at end of year	6	2,878,629	3,056,159

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2013.

1 Domicile and activities

CapitaLand Treasury 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 the provision of financial and treasury services to related companies.

The immediate and ultimate holding company is CapitaLand Limited, a company incorporated in the Republic of Singapore.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

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

The preparation of 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.

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

2.2 Foreign currency transactions

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

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date 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.

Foreign currency differences arising from retranslation are recognised in the profit or loss, except for differences arising from the retranslation of qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

2.3 Intangible assets

Intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Software 3 years

Intangible assets with indefinite useful lives are not amortised and are measured at cost less impairment losses. Software under development is stated at cost and is not amortised. Expenditure relating to software under development is capitalised when incurred. Amortisation will commence when the development is completed.

2.4 Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise amounts due from/to related corporations, trade and other receivables, available-for-sale money market investment, cash and cash equivalents, bank loans, debt securities, amounts due to immediate holding company and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Cash and cash equivalents comprise cash balances and bank deposits.

Available-for-sale financial assets

The Company's investments in debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses (see note 2.5), are recognised directly in other comprehensive income. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss.

Others

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) ***Derivative financial instruments and hedging activities***

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the Company 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 Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in 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.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect change in its fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

Other non-trading derivatives

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

2.5 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. 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 Company on terms that the Company 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 Company 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 suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected as an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial 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 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 profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

2.6 Employee benefits

Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are recognised in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under the short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

Share-based payments

For 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.

2.7 Share capital

Ordinary shares and redeemable preference shares are classified as equity.

2.8 Revenue recognition

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

2.9 Finance costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.10 Income tax expense

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; and

- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Company 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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company 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 Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company 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 Company 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.

2.11 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

3 Intangible asset

	Software under development $'000	Total $'000
Cost		
At 1 January 2011 and 31 December 2011	–	–
Additions	461	461
At 31 December 2012	461	461
Accumulated amortisation		
At 1 January 2011 and 31 December 2011	–	–
Amortisation for the year	–	–
At 31 December 2012	–	–
Carrying amount		
At 1 January 2011 and 31 December 2011	–	–
At 31 December 2012	461	461

4 Amounts due from related corporations

	2012 $'000	2011 $'000
Receivable:		
Not later than 1 year:		
- Interest-free (non-trade)	–	2,787
- Interest-free (trade)	75	–
- Interest-bearing (trade)	2,734,188	2,753,571
- Interest receivable	26,273	26,144
	2,760,536	2,782,502
After 1 year:		
- Between 1 to 5 years	1,320,842	1,074,678
	1,320,842	1,074,678
	4,081,378	3,857,180

The current amounts due from related corporations are unsecured and repayable on demand.

The non-current amounts due from related corporations are trade in nature, unsecured and interest-bearing.

The amounts due from related corporations are not past due.

As at 31 December 2012, the effective interest rates for amounts due from related corporations ranged from 0.195% to 7.06% (2011: 0.28% to 7.06%) per annum. Interest rates reprice at intervals of 7 days to 365 days (2011: 9 days to 365 days).

5 Other financial assets

	2012 $'000	2011 $'000
Available-for-sale money market investment, at fair value	195,000	195,000

6 Cash and cash equivalents

	2012 $'000	2011 $'000
Cash at banks	765,641	1,016,323
Fixed deposits with banks	2,112,988	2,039,836
	2,878,629	3,056,159

As at 31 December 2012, the effective interest rates for cash and cash equivalents ranged from 0.13% to 0.81% (2011: 0.25% to 0.70%) per annum. Interest rates reprice at intervals of 1 day to 120 days (2011: 1 day to 105 days).

7 Share capital

	2012 No. of shares '000	2011 No. of shares '000
Issued and fully paid:		
Ordinary shares	27,600	27,600
Redeemable preference shares	72,400	72,400
At 1 January and 31 December	100,000	100,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Redeemable preference shares

The redeemable preference shares carry a non-cumulative preferential dividend rate that shall be recommended by the Directors. These preference shares may be redeemed or converted, wholly or partially, by the Company at any time from the date of issue as follows:

- by the payment in cash of an amount equal to the subscription price per share; or
- by the issue to the preference shareholder of one ordinary share credited as fully paid for each preference share converted.

On winding up or other repayment of capital, the redeemable preference shares carry the right to repayment of capital in priority to the holders of ordinary shares of the Company, but shall not entitle the redeemable preference shareholders to any further or other participation in the profits or assets of the Company.

Capital management

The Company defines capital as share capital and accumulated profits. The Company's policy on capital management follows that of its immediate holding company, CapitaLand Limited. CapitaLand Limited's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The Company defines capital as including all components of equity. There were no changes in the Company's approach to capital management during the year.

8 Reserves

	2012 $'000	2011 $'000
Hedging reserve	(4,797)	(8,765)
Accumulated profits	75,461	48,052
	70,664	39,287

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flows hedging instruments.

9 Unsecured bank loans

These comprise unsecured loans repayable:

	2012 $'000	2011 $'000
Not later than 1 year	255,733	147,475
Between 1 to 5 years	1,518,411	1,740,430
	1,774,144	1,887,905

The unsecured loans are guaranteed by the immediate holding company. As at 31 December 2012, the effective interest rates for bank loans ranged from 0.80% to 4.40% (2011: 0.73% to 5.81%) per annum. Interest rates reprice at intervals of 46 days to 176 days (2011:9 days to 182 days). The maturity dates for the non-current unsecured bank loans ranged from 24 February 2014 to 24 January 2017.

10 Unsecured debt securities

Unsecured debt securities comprise fixed rate notes issued by the Company.

	2012 $'000	2011 $'000
Repayable:		
After 1 year:		
- Between 1 to 5 years	129,818	79,903
- After 5 years	1,085,237	648,235
	1,215,055	728,138
	1,215,055	728,138

The unsecured debt securities are guaranteed by the immediate holding company. As at 31 December 2012, the effective interest rates for debt securities ranged from 3.50% to 4.35% (2011: 3.50% to 4.35%) per annum. The maturity dates for the non-current unsecured debt securities ranged from 30 October 2014 to 20 September 2022.

11 Amounts due to immediate holding company

	2012 $'000	2011 $'000
Amounts due to immediate holding company		
Not later than 1 year:		
- interest-free (trade)	(317,790)	(317,790)
- interest bearing (trade)	(1,948,607)	(2,206,134)
	(2,266,397)	(2,523,924)
Interest payable	(2,163)	(2,230)
	(2,268,560)	(2,526,154)
Interest bearing (trade)		
- Between 1 to 5 years	(424,557)	(424,336)
- After 5 years	(993,794)	(992,399)
	(1,418,351)	(1,416,735)
	(3,686,911)	(3,942,889)

Current amounts due to immediate holding company are trade in nature, unsecured and repayable on demand.

The non-current amounts due to immediate holding company are trade in nature, unsecured and interest bearing. The maturity dates for the non-current amounts due to immediate holding company ranged from 15 November 2016 to 20 June 2022.

As at 31 December 2012, the effective interest rate for amounts due to immediate holding company ranged from 0.02% to 2.95% (2011: 0.03% to 2.95%) per annum. Interest rates reprice at intervals of 21 days to semi-annually (2011: 27 days to semi-annually).

12 Deferred tax liabilities

Movements in deferred tax liabilities during the year are as follows:

	At 1 January 2011 $'000	(Credited)/ Charged to profit or loss (Note 18) $'000	At 31 December 2011 $'000	Credited to profit or loss (Note 18) $'000	At 31 December 2012 $'000
Deferred tax liabilities					
Interest expense payable to immediate holding company	(5,043)	5,043	–	–	–
Other costs of borrowings on bank loans, debt securities and intercompany loans	7,681	(4,543)	3,138	(219)	2,919
Unutilised tax losses	(2,609)	2,609	–	–	–
	29	3,109	3,138	(219)	2,919

13 Employee benefits

	Note	2012 $'000	2011 $'000
Liability for cash settled share-based payments:			
- Current	14	38	34
- Non-current		11	15
		49	49

Restricted Stock Plan – Cash-settled

This relates to compensation costs of the immediate holding company's Restricted Stock Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of cash-settled shares outstanding under the Restricted Stock Plan are summarised below:

Year of Award	**2012**	**2011**
	No. of shares	
At 1 January	31,205	28,345
Granted	–	19,212
Lapsed/Cancelled	(1,788)	(2,460)
Released	(15,070)	(13,892)
At 31 December	14,347	31,205

The final number of shares released which were to be cash-settled 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. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares in their equivalent cash value at no cost.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

With effect from 2012, cash-settled plans for non-managerial grade employees in Singapore has been replaced by a Restricted Cash Plan.

14 Trade and other payables

	Note	2012 $'000	2011 $'000
Accrued operating expenses		466	401
Interest payable		21,291	19,906
Liability for short-term accumulating compensated absences		81	74
Liability for short-term cash-settled share-based payments	13	38	34
Other payables		30	34
		21,906	20,449

15 Amounts due to related corporations

The current amounts due to related corporations are unsecured, interest-bearing and repayable on demand. As at 31 December 2012, the effective interest rates for current amounts due to related corporations ranged from 0.20% to 4.00% (2011: 0.21% to 4.00%) per annum. Interest rates reprice at intervals of 10 days to 92 days (2011: 13 days to 94 days).

Included in the current amounts due to related corporations is an amount of $187,000 (2011: $196,000) which represents accrued interest on the amounts due to related corporations.

16 Revenue

	2012 $'000	2011 $'000
Interest income:		
- related corporations	175,476	177,410
- fixed deposits and bank balances	13,811	9,639
- money market investment	267	244
Others	303	26
	189,857	187,319

17 Profit before income tax

Profit before income tax includes the following:

	2012 $'000	2011 $'000
(a) Other operating (income)/expenses		
Realised foreign exchange loss	28	5,190
Unrealised foreign exchange loss/(gain)	46	(5,060)
Other income	(10)	–
(b) Administrative expenses		
Staff costs:		
- short-term employee benefits	1,739	1,611
- contributions to defined contribution plan	175	165
- share-based expenses	42	16
Operating lease expense (paid and payable to immediate holding company)	317	498
(c) Finance costs		
Interest expense paid and payable to:		
- immediate holding company	39,297	59,059
- related corporations	1,491	1,356
- bank loans and overdraft	71,898	77,132
- debt securities	36,008	31,899
Others	6,017	9,211
Mark-to-market (gain)/loss on derivative instruments	(44)	58
	154,667	178,715

18 Income tax expense

	2012 $'000	2011 $'000
Current tax		
Based on current year's results	5,580	657
Under provision in respect of prior years	(1)	84
Group relief	–	(2,787)
	5,579	(2,046)
Deferred tax		
Origination and reversal of temporary differences	(219)	3,119
Over provision in respect of prior year	–	(10)
	(219)	3,109
Income tax expense	5,360	1,063

Reconciliation of effective tax rate

	2012 $'000	2011 $'000
Profit before income tax	32,770	6,122
Income tax using Singapore tax rate of 17%	5,571	1,041
Expenses not deductible for tax purposes	(6)	2,794
Income not subject to tax	(2)	–
Under provision in respect of prior year	(1)	74
Group relief	–	(2,787)
Others	(202)	(59)
	5,360	1,063

19 Dividends

	2012 $'000	2011 $'000
Interim one-tier dividend paid of 0.001 cents (2011: 0.001 cents) on each ordinary share	*	*
Interim one-tier dividend paid of 0.001 cents (2011: 0.001 cents) on each redeemable preference share	1	1
	1	1

* *Less than $1,000*

20 Financial risk management

(a) Financial risk management objectives and policies

The Company is exposed to market risk (including interest rate and foreign currency), credit risk and liquidity risk arising from its normal course of business. The Company's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Company uses financial instruments such as currency forwards and interest rate swaps as well as foreign currency borrowings to hedge certain financial risk exposures.

(b) Market risk

Market risk is the risk that changes in market rates, such as interest rates and foreign exchange rates will have on the Company'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 Company'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 mainly short-term in nature and they are not held for trading or speculative purposes. The financial products comprise fixed deposits or money market investments which yield better returns than cash at bank.

The Company manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Company 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 Company also uses hedging instruments such as interest rate swaps and cross currency swaps to minimise its exposure to interest rate volatility. The Company designates these interest rate swaps and cross currency swaps as cash flow hedges.

As at the balance sheet date, the Company had entered into derivative financial instruments with notional principal values as set out below. These financial instruments were used as cash flows hedging instruments. The positive and negative fair values represent the mark-to-market values of the derivative financial instruments.

	← 2012		→	← 2011		→
	Notional principal value $'000	**Gross positive fair value $'000**	**Gross negative fair value $'000**	**Notional principal value $'000**	**Gross positive fair value $'000**	**Gross negative fair value $'000**
Interest rate swaps	510,636	–	2,643	617,325	–	11,165
Cross currency swaps	488,660	–	4,050	–	–	–
	999,296	–	6,693	617,325	–	11,165

The maturity dates of these financial instruments are as follows:

	2012 $'000	**2011 $'000**
Not later than 1 year	510,636	97,041
Between 1 and 5 years	–	520,284
More than 5 years	488,660	–
	999,296	617,325

(ii) *Foreign currency risk*

The Company is exposed to various currencies, mainly Australian Dollars, Hong Kong Dollars, Japanese Yen, Sterling Pounds, Thai Baht and US Dollars.

The Company maintains a natural hedge, whenever possible, by borrowing in the currency that matches the loan to related corporations. Foreign exchange exposures in transactional currencies are kept to an acceptable level.

The Company uses forward exchange contracts to hedge its foreign currency risk, where feasible. The Company also enters into cross currency swaps to hedge the foreign exchange risk of its loan that are denominated in foreign currency.

The Company's exposure to foreign currencies as at 31 December 2012 and 31 December 2011 are as follows:

	US Dollars $'000	Australian Dollars $'000	Hong Kong Dollars $'000	Japanese Yen $'000	Thai Baht $'000	Sterling Pounds $'000	Total Foreign Currencies $'000
2012							
Trade and other receivables	–	–	–	27	–	–	27
Amounts due from/(to) related corporations (net)	65,835	1,108,009	145,437	291,816	23,185	39,075	1,673,357
Cash and cash equivalents	41	7	2	117,425	2	35	117,512
Unsecured bank loans, excluding unamortised transaction costs	(65,702)	(1,099,885)	(145,140)	(408,651)	(22,953)	(38,983)	(1,781,314)
Unsecured debt securities	(488,660)	–	–	–	–	–	(488,660)
Trade and other payables	(73)	(6,927)	(152)	(439)	(177)	(56)	(7,824)
Net currency exposure	(488,559)	1,204	147	178	57	71	(486,902)
Cross currency swaps contracts	488,660	–	–	–	–	–	488,660
Net currency exposure	101	1,204	147	178	57	71	1,758
2011							
Trade and other receivables	4	–	–	–	–	–	4
Amounts due from/(to) related corporations (net)	67,110	1,099,982	129,835	504,292	37,720	40,493	1,879,432
Cash and cash equivalents	30,779	4	1	4	1	4	30,793
Unsecured bank loans, excluding unamortised transaction costs	(97,041)	(1,089,231)	(129,615)	(502,948)	(37,293)	(40,359)	(1,896,487)
Trade and other payables	(1,042)	(9,351)	(93)	(709)	(364)	(89)	(11,648)
Net currency exposure	(190)	1,404	128	639	64	49	2,094

Sensitivity analysis

It is estimated that a five (2011: five) percentage point strengthening in foreign currencies against the Singapore Dollar would increase the Company's profit before tax (and revenue reserves) by approximately $88,000 (2011: increase by $105,000). A five (2011: five) percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The analysis assumed that all other variables, in particular interest rates, remain constant.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria and are of high credit standing.

As at the balance sheet date, there were no significant concentration of credit risk and there were no receivables which were past due. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments and related parties receivables, in the balance sheet.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company 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 Company maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Company strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Company will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Contractual cash flows (Inflow)/Outflow <---- (including interest payments) ---->			
	Carrying amount $'000	**Total $'000**	**Not later than 1 year $'000**	**Between 1 and 5 years $'000**	**After 5 years $'000**
2012					
Bank loans	1,774,144	1,905,880	299,865	1,606,015	–
Debt securities	1,215,055	1,529,335	25,892	280,467	1,222,976
Amounts due to:					
- Immediate holding company	3,686,911	4,005,128	2,302,723	569,615	1,132,790
- Related corporations	273,977	272,649	272,649	–	–
Trade and other payables*	21,787	21,787	21,787	–	–
Financial liabilities, at amortised cost	6,971,874	7,734,779	2,922,916	2,456,097	2,355,766
Derivative financial liabilities, at fair value					
- Interest rate swap	2,643	2,473	2,473	–	–
- Cross currency swap	4,050	(14,053)	(1,002)	(5,795)	(7,256)
	6,978,567	7,723,199	2,924,387	2,450,302	2,348,510

	Carrying amount $'000	Contractual cash flows (Inflow)/Outflow (including interest payments) Total $'000	Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
2011					
Bank loans	1,887,905	2,124,727	206,608	1,918,119	–
Debt securities	728,138	867,184	11,696	153,826	701,662
Amounts due to:					
- Immediate holding company	3,942,889	4,301,187	2,560,363	578,534	1,162,290
- Related corporations	375,954	375,180	375,180	–	–
Trade and other payables*	20,341	20,341	20,341	–	–
Financial liabilities, at amortised cost	6,955,227	7,688,619	3,174,188	2,650,479	1,863,952
Derivative financial liabilities, at fair value	11,165	7,135	5,919	1,216	–
	6,966,392	7,695,754	3,180,107	2,651,695	1,863,952

* *Excludes liability for short term accumulating compensated absences and liability for cash-settled share-based payments.*

(e) Fair values

The following methods and assumptions are used to estimate the fair values of the following significant classes of financial instruments:

(i) *Derivatives*

The fair value of derivatives financial instruments is based on their market prices.

(ii) *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purpose, 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.

(iii) *Other financial assets and liabilities*

The fair value of quoted securities is their quoted bid price at the balance sheet date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalent and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the balance sheet.

(iv) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as at 31 December 2012. The different levels have been defined as follows:

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 2 $'000	Total $'000
2012		
Available-for-sale financial assets	195,000	195,000
Derivative financial liabilities	(6,693)	(6,693)
	188,307	188,307
2011		
Available-for-sale financial assets	195,000	195,000
Derivative financial liabilities	(11,165)	(11,165)
	183,835	183,835

(vi) *Accounting classifications and fair values*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2012							
Trade and other receivables		–	2,492	–	–	2,492	2,492
Amount due from related corporations	4	–	4,081,378	–	–	4,081,378	4,081,378
Cash and cash equivalents	6	–	2,878,629	–	–	2,878,629	2,878,629
Other financial assets	5	–	–	195,000	–	195,000	195,000
		–	6,962,499	195,000	–	7,157,499	7,157,499
Trade and other payables*	14	–	–	–	21,787	21,787	21,787
Amounts due to immediate holding company	11	–	–	–	3,686,911	3,686,911	3,597,259
Amount due to related corporations	15	–	–	–	273,977	273,977	273,977
Bank loans	9	–	–	–	1,774,144	1,774,144	1,774,144
Debt securities	10	–	–	–	1,215,055	1,215,055	1,275,930
Derivative financial liabilities		6,693	–	–	–	6,693	6,693
		6,693	–	–	6,971,874	6,978,567	6,949,790

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2011							
Trade and other receivables		–	1,302	–	–	1,302	1,302
Amount due from related corporations	4	–	3,857,180	–	–	3,857,180	3,857,180
Cash and cash equivalents	6	–	3,056,159	–	–	3,056,159	3,056,159
Other financial assets	5	–	–	195,000	–	195,000	195,000
		–	6,914,641	195,000	–	7,109,641	7,109,641
Trade and other payables*	14	–	–	–	20,341	20,341	20,341
Amounts due to immediate holding company	11	–	–	–	3,942,889	3,942,889	3,738,092
Amount due to related corporations	15	–	–	–	375,954	375,954	375,954
Bank loans	9	–	–	–	1,887,905	1,887,905	1,887,905
Debt securities	10	–	–	–	728,138	728,138	710,541
Derivative financial liabilities		11,165	–	–	–	11,165	11,165
		11,165	–	–	6,955,227	6,966,392	6,743,998

* *Exclude liability for short-term accumulating compensated absences and liability for cash settled shared-based payments.*

21 Commitments

As at the balance sheet date, the Company had the following commitments:

	2012 $'000	2011 $'000
Commitments in respect of capital expenditure contracted but not provided for in the financial statements	809	–

22 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company considers the directors of the Company to be key management personnel in accordance with FRS 24 *Related Party Disclosures*. The directors are employees of the holding company and no consideration is paid to the holding company for services rendered by the directors.

23 New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2012, 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 Company.

CAPITALAND LIMITED

(Registration Number : 198900036N)

2013 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

TABLE OF CONTENTS

CapitaLand

CAPITALAND LIMITED
2013 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group					
	Note	2Q 2013 S$'000	2Q 2012 S$'000	Change %	1H 2013 S$'000	1H 2012 S$'000	Change %
Revenue	A	**1,182,712**	**862,454**	**37.1**	**1,844,579**	**1,503,578**	**22.7**
Cost of sales		(853,127)	(521,652)	63.5	(1,251,031)	(916,976)	36.4
Gross profit		329,585	340,802	(3.3)	593,548	586,602	1.2
Other operating income	B	136,030	212,938	(36.1)	243,821	312,323	(21.9)
Administrative expenses	C	(133,526)	(124,435)	7.3	(258,874)	(250,549)	3.3
Other operating expenses	D	(43,028)	(31,919)	34.8	(45,221)	(21,447)	110.9
Profit from operations		289,061	397,386	(27.3)	533,274	626,929	(14.9)
Finance costs		(116,221)	(146,239)	(20.5)	(230,161)	(251,290)	(8.4)
Share of results (net of tax) of:	E						
- associates		311,376	268,607	15.9	430,691	355,606	21.1
- joint ventures		90,009	53,922	66.9	112,581	68,793	63.7
		401,385	322,529	24.4	543,272	424,399	28.0
Profit before taxation		574,225	573,676	0.1	846,385	800,038	5.8
Taxation	F	(38,333)	(49,304)	(22.3)	(64,495)	(78,021)	(17.3)
Profit for the period		535,892	524,372	2.2	781,890	722,017	8.3
Attributable to:							
Owners of the Company ("PATMI")		**383,145**	**385,901**	**(0.7)**	**571,314**	**519,138**	**10.1**
Non-controlling interests ("NCI")		152,747	138,471	10.3	210,576	202,879	3.8
Profit for the period		535,892	524,372	2.2	781,890	722,017	8.3

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2013 vs 2Q 2012

(A) Revenue

The increase was mainly attributable to higher revenue from the Group's development projects in Singapore, China and Australia as well as higher rental revenue from its shopping mall and serviced residence businesses. (Please see item 8 for details).

Cost of sales also increased but at a higher rate as the project costs in respect of the units sold were relatively higher this quarter. In addition, 2Q 2012's cost of sales were also lower due to cost reduction adjustments on final settlement for a project in China.

(B) Other Operating Income

		Group		
		2Q 2013 S$'000	2Q 2012 S$'000	Change (%)
Other Operating Income		**136,030**	**212,938**	**(36.1)**
Investment income		62	175	(64.6)
Interest income	(i)	21,492	25,076	(14.3)
Other income (including portfolio gains)	(ii)	74,267	109,312	(32.1)
Fair value gains of investment properties	(iii)	38,439	78,375	(51.0)
Foreign exchange gain	(iv)	1,770	-	NM

(i) Interest income was lower mainly due to lower amount of interest bearing loans extended to associates and lower placements of surplus funds with financial institutions.

(ii) Other income included portfolio gains of $45.8 million mainly from the injection of Luwan Integrated Development, Shanghai, ("Luwan project") by CapitaMalls Asia ("CMA") into its 50%-owned CapitaMalls China Development Fund III ("CMCDF III) and Ascott's divestment of its interest in 11 rental housing properties in Japan to Ascott Residence Trust ("Ascott Reit").

2Q 2012's other income included divestment gains of $81.8 million mainly from the monetisation of two shopping malls by CMA into CMCDF III.

(iii) The net fair value gains in respect of investment properties held through subsidiaries were lower in 2Q 2013 as the properties in China, Australia, Malaysia and Japan registered smaller revaluation gains this year.

The impact of valuation of investment properties held through associates and joint ventures is included in the Share of results of Associates and Joint Ventures (see Note (E)).

(iv) The foreign exchange gain arose mainly from the settlement of a RMB receivable during the quarter.

(C) Administrative Expenses

	Group		
	2Q 2013 S$'000	2Q 2012 S$'000	Change (%)
Administrative Expenses	**(133,526)**	**(124,435)**	**7.3**
Included in Administrative Expenses:-			
Depreciation and amortisation	(12,059)	(9,456)	27.5
Write back of/ (allowance for) doubtful receivables and bad debts written off	89	(21)	NM

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were higher this quarter due to higher depreciation, professional fees and other miscellaneous expenses.

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2013 vs 2Q 2012

(D) Other Operating Expenses

Other operating expenses of $43.0 million comprised the following one-off transactions:

(i) a total of $10.1 million impairment losses in respect of a serviced residence property in India and an investment in Bahrain; and

(ii) a loss of $33.1 million incurred on refinancing of debt obligations from existing convertible bonds (CB) with new CBs due 2020 and some buyback of CBs. The loss is mainly due to premium paid and transaction costs for the bonds which were bought back. This exercise is part of the Group's initiative to lengthen its debt maturity and reduce future interest expense as the new CBs were issued at a lower coupon rate.

(E) Share of Results (net of tax) of Associates and Joint Ventures

Share of results from associates was higher and this was attributable to higher fair value gains from the revaluation of investment properties and improved operating performance of projects held by associates in China and Singapore; namely Beaufort and d'Leedon. The increase was despite the absence of a divestment gain. 2Q 2012's share of results included a gain from the divestment of Hougang Plaza.

Share of results from joint ventures also saw an increase on account of higher fair value gains from the revaluation of investment properties held by our joint ventures.

(F) Taxation expense and adjustments for over or under-provision of tax in respect of prior years

The current tax expense is based on the statutory tax rates of the respective countries in which the companies operate and takes into account non-deductible expenses and temporary differences.

2Q 2013's tax expenses included write back of taxes provided in prior years totaling $33.6 million relating to divestments. The write back was made following the resolution and finalisation of tax of the relevant entities (2Q 2012: write back of over provision of tax for prior years of $31.0 million).

(G) Gain/(Loss) from the sale of investments

The gains from the sale of investments are as follows:

2Q 2013	**PATMI (S$M)**
Interest in 11 rental housing properties in Japan	11.1
Luwan Integrated Development, Shanghai	10.0
Others	3.6
Total Group's share of gain after tax & NCI for 2Q 2013	**24.7**
2Q 2012	
CapitaMall Tianfu and CapitaMall Meilicheng	42.2
Hougang Plaza (accounted for in share of associates' results)	15.8
Others	3.8
Total Group's share of gain after tax & NCI for 2Q 2012	**61.8**

1(a)(iii) Statement of Comprehensive Income

	Group					
	2Q 2013 S$'000	2Q 2012 S$'000	Change %	1H 2013 S$'000	1H 2012 S$'000	Change %
Profit for the period	535,892	524,372	2.2	781,890	722,017	8.3
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 [1]	112,867	67,896	66.2	183,899	(55,660)	NM
Change in fair value of available-for-sale investments	244	(1,222)	NM	(1,771)	533	NM
Effective portion of change in fair value of cash flow hedges	21,587	(71,152)	NM	40,453	(52,748)	NM
Share of other comprehensive income of associates and joint ventures	128,312	(24,146)	NM	170,182	4,904	NM
	263,010	(28,624)	NM	392,763	(102,971)	NM
Total comprehensive income	798,902	495,748	61.2	1,174,653	619,046	89.8
Attributable to:						
Owners of the Company	**627,071**	**440,943**	**42.2**	**921,976**	**475,820**	**93.8**
Non-controlling interests	171,831	54,805	213.5	252,677	143,226	76.4
	798,902	495,748	61.2	1,174,653	619,046	89.8

NM: Not meaningful

(1) *2Q 2013's exchange differences arose mainly from the depreciation of SGD against RMB and USD by 3.3% and 1.7% respectively, partially offset by appreciation of SGD against AUD by 4.1%.*

1H 2013's exchange differences arose mainly from the depreciation of SGD against RMB and USD by 4.6% and 3.0% respectively, partially offset by appreciation of SGD against AUD by 5.1%.

1(b)(i) Balance Sheet

	Group			Company		
	30/06/2013 S$'000	31/12/2012 S$'000	Change %	30/06/2013 S$'000	31/12/2012 S$'000	Change %
Non-current assets						
Property, plant & equipment	1,248,622	1,263,615	(1.2)	12,343	14,400	(14.3)
Intangible assets	456,961	462,093	(1.1)	147	147	-
Investment properties[1]	7,418,410	7,969,402	(6.9)	-	-	-
Subsidiaries	-	-	-	11,933,670	10,546,914	13.1[5]
Associates & joint ventures	13,017,005	12,511,282	4.0	-	-	-
Other non-current assets	917,789	887,308	3.4	2,589	2,589	-
	23,058,787	**23,093,700**	**(0.2)**	**11,948,749**	**10,564,050**	**13.1**
Current assets						
Development properties for sale and stocks[2]	*8,366,484*	*7,510,093*	*11.4*	-	-	-
Trade & other receivables[3]	*1,763,525*	*1,484,753*	*18.8*	*1,096,649*	*2,447,221*	*(55.2)*[5]
Cash & cash equivalents[4]	*5,240,655*	*5,497,693*	*(4.7)*	*52,382*	*442,650*	*(88.2)*
Other current assets	*195,000*	*201,370*	*(3.2)*	-	-	-
	15,565,664	**14,693,909**	**5.9**	**1,149,031**	**2,889,871**	**(60.2)**
Less: Current liabilities						
Trade & other payables	*2,618,716*	*2,359,598*	*11.0*	*45,857*	*76,694*	*(40.2)*
Short-term borrowings[6]	*1,700,889*	*782,172*	*117.5*	*421,633*	-	NM
Current tax payable	*390,628*	*432,489*	*(9.7)*	*7,560*	*7,560*	-
	4,710,233	**3,574,259**	**31.8**	**475,050**	**84,254**	**463.8**
Net current assets	**10,855,431**	**11,119,650**	**(2.4)**	**673,981**	**2,805,617**	**(76.0)**
Less: Non-current liabilities						
Long-term borrowings[6]	12,514,648	13,397,606	(6.6)	3,017,664	3,512,287	(14.1)
Other non-current liabilities	1,390,263	1,371,960	1.3	50,080	51,186	(2.2)
	13,904,911	**14,769,566**	**(5.9)**	**3,067,744**	**3,563,473**	**(13.9)**
Net assets	**20,009,307**	**19,443,784**	**2.9**	**9,554,986**	**9,806,194**	**(2.6)**
Representing:						
Share capital	6,302,126	6,300,011	0.0	6,302,126	6,300,011	0.0
Revenue reserves	9,171,444	8,910,445	2.9	2,881,018	3,125,358	(7.8)
Other reserves	215,879	(130,048)	NM	371,842	380,825	(2.4)
Equity attributable to owners of the Company	15,689,449	15,080,408	4.0	9,554,986	9,806,194	(2.6)
Non-controlling interests	4,319,858	4,363,376	(1.0)	-	-	-
Total equity	**20,009,307**	**19,443,784**	**2.9**	**9,554,986**	**9,806,194**	**(2.6)**

Notes:

1. *The decrease was mainly attributable to the injection of Luwan project by CMA into CMCDF III and the divestment of interest in 11 rental housing properties in Japan by Ascott to Ascott Reit.*
2. *The increase was mainly attributable to the acquisition of a residential site in Bishan.*
3. *The increase was mainly attributable to the sales consideration receivable in respect of the sale of Luwan project to CMCDF III. The consideration was received in July 2013.*
4. *Included cash balances of $2,510.8 million held at CapitaLand Limited and CapitaLand Treasury Limited*
5. *The increase in Subsidiaries and the corresponding decrease in Trade and other receivables were due to the conversion of a loan to CapitaLand Treasury Limited from short term to long term.*
6. *The reclassification of borrowings from non-current to current is in accordance with contractual terms and maturity dates.*

1(b)(ii) Group's borrowings (including finance leases)

	Group	
	As at 30/06/2013 S$'000	As at 31/12/2012 S$'000
Amount repayable in one year or less, or on demand:-		
Secured	134,709	192,676
Unsecured	1,566,180	589,496
Sub-Total 1	**1,700,889**	**782,172**
Amount repayable after one year:-		
Secured	2,844,672	2,671,168
Unsecured	9,669,976	10,726,438
Sub-Total 2	**12,514,648**	**13,397,606**
Total Debt	**14,215,537**	**14,179,778**
Total Debt less Cash	**8,974,882**	**8,682,085**

Details of any collateral

Secured borrowings are generally secured by mortgages on the borrowing subsidiaries' investment properties (including those under development) or development properties for sale and assignment of all rights and benefits with respect to the properties mortgaged.

1(c) Consolidated Statement of Cash Flows

	2Q 2013 S$'000	2Q 2012 S$'000	1H2013 S$'000	1H 2012 S$'000
Cash Flows from Operating Activities				
Profit after taxation	**535,892**	**524,372**	**781,890**	**722,017**
Adjustments for :				
Amortisation and impairment of intangible assets	333	300	639	620
Allowance/(Write back) for:				
- Doubtful receivables	4,570	33	4,941	(104)
- Impairment on financial assets	-	4,800	-	4,800
- Impairment on property, plant and equipment	6,185	5,043	6,401	5,050
Gain from bargain purchase	-	(4,488)	(6,278)	(4,488)
Share-based expenses	12,228	10,664	16,031	16,716
Depreciation of property, plant and equipment	11,952	9,173	23,921	20,398
Gain on disposal of property, plant and equipment	(28)	(17)	(19)	(683)
Net fair value gain from investment properties	(38,439)	(78,375)	(38,439)	(104,624)
Net gain on disposal/liquidation of equity investments and other financial assets	(45,811)	(81,029)	(99,258)	(104,616)
Realisation of reserves for pre-existing interests in acquirees	-	(663)	-	(5,146)
Share of results of associates and joint ventures	(401,385)	(322,529)	(543,272)	(424,399)
Loss on re-purchase of convertible bonds	33,125	-	33,125	-
Accretion of deferred income	-	(15,811)	-	(15,811)
Interest expense	116,221	146,239	230,161	251,290
Interest income	(21,492)	(25,076)	(44,874)	(46,699)
Taxation	38,333	49,304	64,495	78,021
	(284,208)	**(302,432)**	**(352,426)**	**(329,675)**
Operating profit before working capital changes	**251,684**	**221,940**	**429,464**	**392,342**
Changes in working capital				
Trade and other receivables	628	130,333	77,225	125,565
Development properties for sale	63,478	10,358	(534,149)	(85,714)
Trade and other payables	45,182	(90,910)	127,965	(204,700)
Restricted bank deposits	4	(2)	915	2,405
	109,292	**49,779**	**(328,044)**	**(162,444)**
Cash generated from operations	**360,976**	**271,719**	**101,420**	**229,898**
Income tax paid	(63,195)	(49,149)	(98,308)	(82,630)
Net cash generated from Operating Activities	**297,781**	**222,570**	**3,112**	**147,268**

1(c) Consolidated Statement of Cash Flows (cont'd)

	2Q 2013 S$'000	2Q 2012 S$'000	1H2013 S$'000	1H 2012 S$'000
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	140	379	3,202	1,263
Purchase of property, plant and equipment	(25,869)	(11,551)	(40,631)	(22,978)
Repayment of loans to/(Investments in) associates and joint ventures	155,135	(709,753)	274,189	(1,227,902)
Advance to investee companies and other receivables	19,980	13,170	(3,922)	527
Prepayment for acquisition of an investment property	-	(38,091)	-	(38,091)
Deposits placed for investments	(232,671)	(151,536)	(264,841)	(151,536)
Acquisition of investment properties	(193,592)	(174,418)	(264,486)	(257,132)
Proceeds from disposal of investment properties	91,431	(1,745)	91,431	94,227
Proceeds from disposal of/(Investment in) other financial assets	5,567	(19,244)	12,907	(22,673)
Dividends received from associates and joint ventures	46,535	140,579	153,698	234,380
Acquisition of subsidiaries, net of cash acquired	-	12,308	-	(110,414)
Disposal of subsidiaries, net of cash disposed off	71,891	(26,264)	168,923	(28,567)
Deposit in escrow account for an acquisition	(164,152)	-	(164,152)	-
Interest income received	12,463	11,775	29,548	25,731
Net cash used in Investing Activities	**(213,142)**	**(954,391)**	**(4,134)**	**(1,503,165)**
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	851	251	1,558	371
(Decrease)/Increase in shareholder loans from non-controlling interests	(63,691)	3,338	33,920	10,203
Contributions from non-controlling interests	13,362	77,692	32,192	72,868
Acquisition in ownership interests in subsidiaries with no change in control	(127,803)	-	(127,803)	-
Proceeds from bank borrowings	737,268	1,373,940	1,385,954	2,012,412
Repayments of bank borrowings	(416,378)	(1,198,804)	(947,838)	(1,502,378)
Proceeds from issue of debt securities and convertible bonds	650,000	380	656,705	408,155
Repayments of debt securities and convertible bonds	(806,411)	(2,705)	(821,162)	(133,054)
Dividends paid to non-controlling interests	(28,443)	(34,479)	(68,607)	(77,692)
Dividends paid to shareholders	(298,010)	(340,021)	(298,010)	(340,021)
Interest expense paid	(129,362)	(125,972)	(288,447)	(274,124)
Net cash (used in)/generated from Financing Activities	**(468,617)**	**(246,380)**	**(441,538)**	**176,740**
Net decrease in cash and cash equivalents	**(383,978)**	**(978,201)**	**(442,560)**	**(1,179,157)**
Cash and cash equivalents at beginning of the period	5,423,454	6,024,086	5,493,583	6,254,967
Effect of exchange rate changes on cash balances held in foreign currencies	33,832	21,787	22,285	(8,138)
Cash and cash equivalents at end of the period	**5,073,308**	**5,067,672**	**5,073,308**	**5,067,672**
Restricted cash deposits	167,347	7,101	167,347	7,101
Cash and cash equivalents in the balance sheet	**5,240,655**	**5,074,773**	**5,240,655**	**5,074,773**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $5,240.7 million as at 30/06/2013 included $2,159.5 million in fixed deposits and $89.4 million in Project Accounts whose withdrawals are restricted to the payment of development projects expenditure.

1(d)(i) Statement of Changes in Equity

For the period ended 30/06/2013 vs 30/06/2012 – Group

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/04/2013	**6,300,718**	**9,089,240**	**(14,789)**	**15,375,169**	**4,462,707**	**19,837,876**
Total comprehensive income						
Profit for the period		383,145		**383,145**	152,747	**535,892**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			126,840	**126,840**	(13,973)	**112,867**
Change in fair value of available-for-sale investments			244	**244**	-	**244**
Effective portion of change in fair value of cash flow hedges			13,575	**13,575**	8,012	**21,587**
Share of other comprehensive income of associates and joint ventures			103,267	**103,267**	25,045	**128,312**
Total other comprehensive income, net of income tax	-	-	243,926	**243,926**	19,084	**263,010**
Total comprehensive income	**-**	**383,145**	**243,926**	**627,071**	**171,831**	**798,902**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company and its subsidiaries	1,408		15	**1,423**	321	**1,744**
Contribution from non-controlling interests (net)				**-**	12,770	**12,770**
Dividends paid/payable		(298,010)		**(298,010)**	(60,228)	**(358,238)**
Share-based payments			7,456	**7,456**	3,436	**10,892**
Total contributions by and distributions to owners	1,408	(298,010)	7,471	**(289,131)**	(43,701)	**(332,832)**
Changes in ownership interests in a subsidiary with a change in control					(177,411)	**(177,411)**
Changes in ownership interests in subsidiaries with no change in control		(8,371)	3,094	**(5,277)**	(93,121)	**(98,398)**
Share of reserves of associates and joint ventures		187	(976)	**(789)**	(45)	**(834)**
Equity portion of convertible bonds issued			42,323	**42,323**	-	**42,323**
Repurchase of convertible bonds		5,330	(64,582)	**(59,252)**	-	**(59,252)**
Others		(77)	(588)	**(665)**	(402)	**(1,067)**
Total transactions with owners	**1,408**	**(300,941)**	**(13,258)**	**(312,791)**	**(314,680)**	**(627,471)**
Balance as at 30/06/2013	**6,302,126**	**9,171,444**	**215,879**	**15,689,449**	**4,319,858**	**20,009,307**

* Includes reserve for own shares, foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 30/06/2013 vs 30/06/2012 – Group (cont'd)

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/04/2012	**6,298,720**	**8,456,447**	**178,486**	**14,933,653**	**4,422,163**	**19,355,816**
Total comprehensive income						
Profit for the period		385,901		**385,901**	138,471	**524,372**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			125,020	**125,020**	(57,124)	**67,896**
Change in fair value of available-for-sale investments			(1,222)	**(1,222)**	-	**(1,222)**
Effective portion of change in fair value of cash flow hedges			(43,827)	**(43,827)**	(27,325)	**(71,152)**
Share of other comprehensive income of associates and joint ventures			(24,929)	**(24,929)**	783	**(24,146)**
Total other comprehensive income, net of income tax	-	-	55,042	**55,042**	(83,666)	**(28,624)**
Total comprehensive income	**-**	**385,901**	**55,042**	**440,943**	**54,805**	**495,748**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company and its subsidiaries	651		(185)	**466**	532	**998**
Contributions by non-controlling interests (net)					78,455	**78,455**
Dividends paid/payable		(340,021)		**(340,021)**	(67,231)	**(407,252)**
Share-based payments			7,547	**7,547**	1,931	**9,478**
Total contributions by and distributions to owners	651	(340,021)	7,362	**(332,008)**	13,687	**(318,321)**
Changes in ownership interests in a subsidiary with no change in control				**-**	(110)	**(110)**
Share of reserves of associates and joint ventures		(289)	5,742	**5,453**	12	**5,465**
Others		(323)	203	**(120)**	(97)	**(217)**
Total transactions with owners	**651**	**(340,633)**	**13,307**	**(326,675)**	**13,492**	**(313,183)**
Balance as at 30/06/2012	**6,299,371**	**8,501,715**	**246,835**	**15,047,921**	**4,490,460**	**19,538,381**

* Includes reserve for own shares, foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 30/06/2013 vs 30/06/2012 – Company

	Share Capital S$'000	Revenue Reserves S$'000	Reserve For Own Shares S$'000	Capital Reserves S$'000	Equity Comp Reserves S$'000	**Total Equity S$'000**
Balance as at 01/04/2013	**6,300,718**	**3,177,161**	**(35,017)**	**383,490**	**46,501**	**9,872,853**
Total comprehensive income						
Loss for the period		(4,806)				**(4,806)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	1,408					**1,408**
Dividends paid		(298,010)				**(298,010)**
Share-based payments					2,339	**2,339**
Total contributions by and distributions to owners	1,408	(298,010)	-	-	2,339	**(294,263)**
Equity portion of convertible bonds issued				46,990		**46,990**
Repurchase of convertible bonds		6,673		(72,461)		**(65,788)**
Total transactions with owners	**1,408**	**(291,337)**	**-**	**(25,471)**	**2,339**	**(313,061)**
Balance as at 30/06/2013	**6,302,126**	**2,881,018**	**(35,017)**	**358,019**	**48,840**	**9,554,986**
Balance as at 01/04/2012	**6,298,720**	**3,342,945**	**(49,366)**	**383,490**	**38,381**	**10,014,170**
Total comprehensive income						
Profit for the period		5,874				**5,874**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	651					**651**
Dividends paid		(340,021)				**(340,021)**
Share-based payments					2,471	**2,471**
Total transactions with owners	**651**	**(340,021)**	**-**	**-**	**2,471**	**(336,899)**
Balance as at 30/06/2012	**6,299,371**	**3,008,798**	**(49,366)**	**383,490**	**40,852**	**9,683,145**

1(d)(ii) Changes in the Company's Issued Share Capital

Issued Share Capital

As at 30 June 2013, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,257,454,635 (31 December 2012: 4,250,879,349) ordinary shares. Movements in the Company's issued and fully paid-up share capital were as follows:

	No. of Shares
As at 01/04/2013	4,256,898,746
Issue of new shares under Share Option Plans and payment of Directors' fees	555,889
As at 30/06/2013	**4,257,454,635**

Outstanding Options under CapitaLand Share Option Plan

	No. of Shares
As at 01/04/2013	7,786,459
Exercised/Lapsed/Cancelled	(426,851)
As at 30/06/2013	7,359,608

Performance Share Plan

As at 30 June 2013, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 9,362,029 (30 June 2012: 9,348,609).

Under the PSP, the final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. 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 percent of the baseline award. From 2012, the maximum will be 175 percent of the baseline award. There is no vesting period for shares released under the PSP.

Restricted Stock/Share Plan

As at 30 June 2013, the number of shares comprised in contingent awards granted under the restricted stock/share plan ("RSP") in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 7,448,250 (30 June 2012: 7,300,410) and 6,764,049 (30 June 2012: 5,393,597) respectively, of which 336,210 (30 June 2012: 271,610) shares out of the former and 374,734 (30 June 2012: 620,068) shares out of the latter are to be cash-settled. With effect from FY2012, the cash-settled plan for non-managerial grade employees in Singapore has been replaced by a Restricted Cash Plan ("RCP").

Under the RSP, 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 shares 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 up to a maximum of 150 percent of the baseline award. Once the final number of shares has been determined, it will be released over a vesting period of three years.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 30 June 2013:

Principal Amount $ million	Final Maturity Date Year	Conversion price $	Convertible into new ordinary shares
424.75	2016	6.0100	70,673,876
557.50	2018	7.1468	78,006,940
650.00	2020	5.0000	130,000,000
971.00	2016	4.6836	207,319,156
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.

Assuming all the Bonds are fully converted based on their respective conversion prices, the number of new ordinary shares to be issued would be 572,791,966 (30 June 2012: 560,204,672) representing a 13.5% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2013.

1(d)(iii) Treasury Shares

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 2Q 2013. As at 30 June 2013, the Company held 13,911,215 treasury shares (30 June 2012: 19,611,437) which represents 0.3% of the total number of issued shares (excluding treasury shares).

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2012, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2013.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 January 2013 are:

FRS 19 *Employee Benefits (revised 2011)*;
FRS 113 *Fair Value Measurement*

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRS.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

6 Earnings per ordinary share (EPS) based on profit after tax & NCI attributable to the owners of the Company:

		Group			
		2Q 2013	2Q 2012	1H 2013	1H 2012
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	9.0	9.1	13.4	12.2
	Weighted average number of ordinary shares (in million)	4,257.3	4,250.3	4,255.1	4,248.2
6(b)	EPS based on fully diluted basis (in cents)	8.6	8.8	13.1	12.1
	Weighted average number of ordinary shares (in million)	4,768.6	4,610.6	4,622.8	4,354.0

7 Net asset value and net tangible assets per ordinary share based on issued share capital (excluding treasury shares) as at the end of the period

	Group		Company	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
NAV per ordinary share	$3.69	$3.55	$2.24	$2.31
NTA per ordinary share	$3.58	$3.44	$2.24	$2.31

8 Review of the Group's performance

Group Overview

S$M	2Q 2013	2Q 2012	Variance (%)	1H 2013	1H 2012	Variance (%)
Revenue	1,182.7	862.5	37.1	1,844.6	1,503.6	22.7
Earnings before Interest and Tax ("EBIT")	690.4	719.9	(4.1)	1,076.5	1,051.3	2.4
Finance costs	(116.2)	(146.2)	20.5	(230.2)	(251.3)	8.4
PBT	574.2	573.7	0.1	846.4	800.0	5.8
PATMI	383.1	385.9	(0.7)	571.3	519.1	10.1
Operating PATMI	108.0	90.3	19.6	241.3	168.6	43.1

2Q 2013 vs 2Q 2012

For the quarter under review, the Group achieved a revenue of $1,182.7 million and a PATMI of $383.1 million.

Revenue increased by 37.1% in 2Q 2013, underpinned by higher revenue from our four strategic business units, namely CapitaLand Singapore ("CL Singapore"), CapitaLand China ("CL China"), CapitaMalls Asia ("CMA") and The Ascott Limited ("Ascott") as well as higher sales from the development projects in Australia.

CL Singapore's revenue grew 33.0% in 2Q 2013 and this was primarily driven by higher sales from The Interlace, higher progressive revenue recognition from Urban Resort Condominium and Sky Habitat as well as the commencement of revenue recognition for Bedok Residences.

Revenue from CL China rose 44.0% in 2Q 2013 as more apartment units were delivered to home buyers. In China, revenue is recognised on a completion basis and approximately 300 units of The Pinnacle in Shanghai were handed over to the buyers in this quarter.

With the commencement of revenue recognition for Bedok Residences, revenue from CMA included its proportionate 50% share in the project. Excluding Bedok Residences' revenue, the underlying revenue from shopping mall business registered a strong 25.1% growth in 2Q 2013 as the malls' rental income continued to grow steadily, backed by contributions from Olinas mall which was acquired in July 2012, and The Star Vista which commenced operations in September 2012.

Serviced residences' revenue saw a modest increase of 7.5%; mainly contributed by new stream of revenue from newly acquired properties such as The Cavendish.

Collectively, Singapore and China operations accounted for 64.6% (2Q 2012: 59.7%) of the Group's revenue.

For 2Q 2013, the Group achieved an EBIT of $690.4 million which was a shade lower than 2Q 2012 mainly due to lower portfolio gains. Excluding portfolio gains, EBIT from operation and fair value gains from revaluation of investment properties were higher in 2Q 2013. The higher operating EBIT was a result of an overall improvement in operating performance from all our business units and Australand.

The net fair value gain at the EBIT level was $308.7 million which compared favourably to that in 2Q 2012 of $287.9 million. For this quarter's revaluation, higher fair value gains were recorded for investment properties located in Singapore and China; while those from Australia, Malaysia and Japan registered lower gains.

Portfolio gains in 2Q 2013 were lower at $51.3 million (2Q 2012: $108.7 million). This quarter's divestment gains were mainly from the injection of Luwan project by CMA into CMCDF III and the sale by Ascott of its interest in 11 rental housing properties in Japan and three serviced residences in China to Ascott Reit.

Singapore and China markets remain the key contributors to EBIT, accounting for 75.3% of total EBIT against 74.2% in 2Q 2012. Singapore EBIT was $262.9 million or 38.1% (2Q 2012: $290.2 million or 40.3%) while China EBIT was $256.9 million or 37.2% (2Q 2012: $243.8 million or 33.9%).

Singapore EBIT was lower due to the absence of a fair value gain recorded in 2Q 2012 (Somerset Grand Cairnhill) and the loss incurred on re-purchase of convertible bonds in 2Q 2013, partially mitigated by better operating performance from our shopping mall business. EBIT from China was higher due to higher fair value gains from investment properties, partially offset by lower portfolio gains.

Overall, the Group achieved a total PATMI of $383.1 million in 2Q 2013. Operating PATMI accounted for $108.0 million, which is 19.6% higher as compared to the same quarter last year.

1H 2013 vs 1H 2012

For the first half of 2013, the Group achieved a revenue of $1,844.6 million and a PATMI of $571.3 million.

Revenue grew by 22.7% on account of higher contribution from our four strategic business units, namely CL Singapore, CL China, CMA and Ascott.

CL Singapore recorded a year on year increase of 34.4% in its revenue for 1H 2013, underpinned by higher contribution from The Interlace, Urban Resort Condominium and Sky Habitat as well as the commencement of revenue recognition for Bedok Residences.

CL China also saw its revenue increased by 39.3% in 1H 2013 as it delivered and handed over more units to buyers. The units are from The Metropolis in Kunshan and The Pinnacle in Shanghai.

Revenue from CMA in 1H 2013 was significantly higher on the back of strong contributions from the malls, particularly the Olinas Mall and The Star Vista as well as revenue recognition for Bedok Residences.

On the serviced residence front, Ascott reported a 6.7% increase in revenue mainly due to contributions from newly acquired properties.

Singapore and China operations accounted for 63.5% (1H 2012: 55.0%) of the Group's revenue. Our overseas operations accounted for $1,058.9 million or 57.4% of total revenue as compared to $949.8 million or 63.2% in the corresponding prior period.

Group EBIT for 1H 2013 was $1,076.5 million, which is an increase of 2.4% over 1H 2012's. The improved performance was mainly driven by higher operating profits. Portfolio gains and fair value gains from investment properties were however lower. The strong revenue contribution from the development projects in Singapore and China, as well as the rental income from our shopping mall business have translated to higher operating profits for first half 2013.

Portfolio gains in 1H 2013 were comparatively lower at $104.8 million (1H 2012: $137.5 million). For the first six months of this year, the Group successfully divested a residential development, three serviced residences and a shopping mall development in China; as well as its interest in 11 rental housing properties in Japan.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $316.6 million at the EBIT level as compared to $326.2 million in 1H 2012. The fair value gains from investment properties in Australia, Malaysia and Japan were lower this quarter but this was partially mitigated by higher fair value gains from our investment properties in Singapore and China.

Singapore and China markets accounted for 77.4% of total EBIT against 68.6% in 1H 2012. Singapore EBIT was $439.4 million or 40.8% (1H 2012: $419.0 million or 39.9%) while China EBIT was $394.1 million or 36.6% (1H 2012: $301.7 million or 28.7%).

Singapore EBIT was boosted by strong operating performance from our residential development projects and shopping mall business. EBIT from China was significantly higher on account of higher development profits and fair value gains for investment properties.

Finance costs in 1H 2013 decreased by 8.4% to $230.2 million mainly due to marked-to-market gains on interest rate swaps, which were entered into to hedge interest rate fluctuations, as compared to a loss in 1H 2012. The Group had raised debts in 2012 to fund new investments and the gross debt as at end 2012 was $14.2 billion. As at 30 June 2013, the gross debt level remained unchanged at $14.2 billion (30 June 2012: $13.2 billion) and the net debt equity ratio as at end Jun 2013 was 0.45 (30 June 2012: 0.41).

For the six months ended Jun 2013, the Group achieved a PATMI of $571.3 million. Operating PATMI accounted for $241.3 million, which is 43.1% higher than 1H 2012.

Segment Performance

CL Singapore

S$M	2Q 2013	2Q 2012	Variance (%)	1H 2013	1H 2012	Variance (%)
Revenue	350.1	263.2	33.0	613.6	456.5	34.4
EBIT	148.0	138.3	7.0	258.7	223.7	15.6

In 2Q 2013, CL Singapore sold 139 residential units (2Q 2012 : 202 units), bringing the total number of units sold in 1H 2013 to 683 units (1H 2012 : 259 units) with a sales value of $1.6 billion (1H 2012 : $467 million). Both Urban Resort Condominium and Urban Suites obtained their Temporary Occupation Permit in 1H 2013.

Revenue for both 2Q 2013 and 1H 2013 were higher mainly due to stronger revenue contribution from The Interlace, Urban Resort Condominium and Sky Habitat, as well as commencement of revenue recognition for Bedok Residences in 2Q 2013.

EBIT in 2Q 2013 and 1H 2013 were higher in line with higher revenue, share of higher contribution from d'Leedon, and higher fair value gains from investment properties. The increase in EBIT for 2Q 2013 was relatively lower as 2Q 2012's EBIT included sales from the Latitude and The Seafront on Meyer.

On 24 June 2013, CL Singapore was awarded the landed residential site at Coronation Road at a tendered sale price of $366.0 million. CL Singapore plans to develop an unique landed development comprising semi-detached houses and bungalows on this site.

CL China

S$M	2Q 2013	2Q 2012	Variance (%)	1H 2013	1H 2012	Variance (%)
Revenue	248.2	172.3	44.0	300.7	215.9	39.3
EBIT	105.3	103.5	1.8	214.4	156.3	37.2

In 2Q 2013, CL China sold 736 units at a sales value of RMB1.3 billion (approximately S$260 million). For the six months ended June 2013, sales achieved totaled 1,691 units at a value of RMB3.2 billion (approximately S$640 million). This represents an increase of 58% in units sold and 43% in sales value over 1H 2012. The units sold are mainly from The Loft in Chengdu, The Metropolis in Kunshan, Dolce Vita in Guangzhou and iPark in Shenzhen.

In 2Q 2013, over 1,000 units were handed over to home buyers, mainly from The Loft (457 units), The Pinnacle in Shanghai (293 units) and Beaufort in Beijing (219 units). Including 230 units handed over in 1Q 2013, CL China delivered a total of 1,353 units in 1H 2013.

Revenue in 2Q and 1H 2013 were higher than previous corresponding periods mainly due to higher number of units delivered to home buyers.

Despite the much higher revenue, 2Q 2013 EBIT registered a smaller increase as the profit margin in 2Q 2012 was higher due to a reversal of cost accruals upon final settlement for a project. Excluding this cost adjustment, the increase in EBIT for 2Q 2013 vis a vis 2Q 2012 would be in line with the increase in revenue. 1H 2013 EBIT was higher than previous corresponding period due to higher share of associates' results, as well as higher divestment and fair value gains. Among the associates with higher contributions is Raffles City China Fund which saw improved results following the commencement of the retail operations in Raffles City Chengdu and Raffles City Ningbo.

During the quarter, CL China acquired a 70% stake in Shanghai Guang Chuan Property Co., Ltd, which owns a prime site in Zhabei District, Shanghai. The site with a total gross floor area of about 110,000 sqm, will be developed into a mixed development comprising residential, office and retail components. The transaction is subject to governmental approval and is expected to complete by 2Q 2014.

CapitaMalls Asia ("CMA")

S$M	2Q 2013	2Q 2012	Variance (%)	1H 2013	1H 2012	Variance (%)
Revenue	160.9	73.3	119.5	251.9	143.0	76.2
EBIT	305.2	281.6	8.4	403.5	365.7	10.3

Revenue increased to $160.9 million for 2Q 2013 and $251.9 million for 1H 2013. This was mainly due to contributions from Olinas Mall which was acquired in July 2012 and The Star Vista which was opened in September 2012, as well as commencement of revenue recognition for Bedok Residences.

EBIT for 2Q 2013 of $305.2 million was 8.4% higher than 2Q 2012. EBIT also improved by 10.3% in 1H 2013 to $403.5 million. This was largely due to higher fair value gain for the properties in China and ION Orchard, coupled with commencement of profit recognition for units sold in Bedok Residences, partially offset by lower portfolio gain.

Ascott

S$M	2Q 2013	2Q 2012	Variance (%)	1H 2013	1H 2012	Variance (%)
Revenue	109.6	101.9	7.5	202.2	189.5	6.7
EBIT	45.6	74.5	(38.7)	53.1	89.2	(40.4)

Revenue for both 2Q 2013 and 1H 2013 were higher mainly due to contributions from properties that were acquired in 2H 2012, partially offset by the absence of revenue from properties divested in 3Q 2012.

EBIT in 2Q 2013 was lower mainly due to lower fair value gains from Ascott Reit, as 2Q 2012 fair value gains included the increase in valuation of Somerset Grand Cairnhill. The decrease is partially mitigated by portfolio gains from the disposal of properties to Ascott Reit as well as contributions from newly acquired properties.

EBIT in 1H 2013 was lower mainly due to lower fair value gains from Ascott Reit, absence of a one-time receipt of insurance settlement in 1Q 2012 and dilution loss arising from the issuance of new units by Ascott Reit in 1Q 2013. The decrease is partially mitigated by portfolio gains from the disposal of properties to Ascott Reit as well as contributions from newly acquired properties.

In 2Q 2013, Ascott entered into Saudi Arabia by securing 3 management contracts in Riyadh and Jeddah. Ascott has also secured a contract to manage the first Ascott-branded serviced residence in Gurgaon, India. Year to date, Ascott has secured a total of 12 management contracts.

Corporate and Others

S$M	2Q 2013	2Q 2012	Variance (%)	1H 2013	1H 2012	Variance (%)
Revenue	314.0	251.7	24.8	476.2	498.7	(4.5)
EBIT	86.4	122.0	(29.2)	146.8	216.3	(32.2)

Corporate and Others include Corporate Office, Australand, Surbana (Consultancy), Storhub, Financial Services and other businesses in Vietnam, Japan, UK and GCC.

Higher revenue in 2Q 2013 was attributable to higher sales from development projects in Australia. However, the revenue for 1H 2013 was 4.5% lower than the corresponding period last year.

The decrease in EBIT in 2Q 2013 and 1H 2013 was mainly due to lower fair value gains from the investment properties in Australia and a loss incurred on re-purchase of convertible bonds.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the first quarter 2013 financial results were announced.

10 Commentary of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

CL Singapore

URA's flash estimate of the private residential property price index reported a moderate increase of 0.8% in 2Q 2013 as compared to 0.6% in 1Q 2013. The Monetary Authority of Singapore introduced a cap of 60% on the Total Debt Servicing Ratio for property loans with effect from 29 June 2013. Prices and sales volume of Singapore residential property are expected to moderate as the cumulative impact of the various property measures continue to be played out in the coming months. However, the long-term prospects of Singapore residential market remain positive. Hence, CL Singapore will continue to source for well-located sites to build its pipeline. Plans are also underway to launch the projects in Bishan Street 14 and Marine Point in 2H 2013.

On the office sector, Singapore's island-wide office occupancy rate increased from 94.9% in 1Q 2013 to 95.7% in 2Q 2013. Occupancy rate in the core Central Business District ("CBD") rose from 93.2% to 95.1% as a result of higher net absorption. The average monthly rent of CBD Grade A office remained stable at $9.55 per square foot in 2Q 2013.

Looking ahead, the average new office supply in the CBD and decentralised areas is expected to be about 1 million square feet per annum from 2013 to 2016. Office demand remained resilient and rentals are expected to strengthen.

CapitaGreen, our Grade A office tower in CBD currently under development, is due for completion in 2014. Westgate Tower, an office building in our mixed-use development, Westgate, located in Jurong Gateway is also expected to complete in 2014.

For Malaysia, the focus is mainly on Iskandar, and to undertake opportunistic developments for niche residential and integrated or mixed-use development in Kuala Lumpur, Klang Valley and Penang.

CL China

Despite the recent developments in China property market, CL China remains positive about the property market in the long term as urbanisation and increased income growth will continue to underpin demand. The Chinese Government's fine-tuning of its tightening policy will ensure a stable and sustainable growth.

CL China will actively seek opportunities to acquire new sites for growth.

In terms of residential launches, there are approximately 1,400 units (approximately RMB 3 billion) that will be launch-ready in 2H 2013. CL China plans to release new launches and phases of existing projects for sale according to the market conditions, subject to regulatory approval. CL China also expects to hand over approximately 1,900 units mainly from iPark, The Loft, Beaufort and The Paragon in 2H 2013.

For the Raffles City portfolio, three Raffles City projects are fully operational, namely Raffles City Shanghai, Raffles City Beijing and Raffles City Ningbo. Raffles City Chengdu has commenced its retail operations since 4Q 2012, office and serviced residences will commence operations by 4Q 2013. The remaining four Raffles City are in various stages of development and are progressing on track.

CMA

The global economic recovery remains uncertain with Europe remaining mired in recessions and Middle East going through a period of instability. In Asia, growth is likely to be moderate, supported by healthy domestic demand. China's economy is expected to grow 7.5% in 2013. Singapore's GDP is expected to grow between 1% and 3%, while Malaysia is expected to grow between 4.5% and 5.5%.

The key markets that CMA operates in namely, Singapore, China and Malaysia, are expected to perform well in 2013, on the back of sustained tenant sales growth. The malls that opened in 2012 have started to contribute meaningfully to earnings in 2013. CMA will focus its efforts on opening more new malls mainly in Singapore and China as well as improve the performance of its existing malls. With a sound balance sheet, CMA will continue to strengthen its presence in the region when opportunities arise and the sizeable pipeline of malls under development will lay the foundation for growth in future earnings.

For further details, please refer to CMA's 2Q 2013 Unaudited Financial Statements Announcement released on the Singapore Exchange on 23 July 2013.

Ascott

Ascott will continue to seek investment opportunities in key gateway cities in Asia and Europe to enlarge its portfolio and focus on improving the quality of its portfolio through asset enhancement.

As part of its strategy to scale up its global network, Ascott will continue to grow its fee-based income through securing more management contracts.

GROUP OVERALL PROSPECTS

In Singapore, the Group envisages some headwinds for the private residential property market in the near term. On 28 June 2013, the Monetary Authority of Singapore introduced the Total Debt Servicing Ratio cap of 60% for property loans granted by financial institutions and this is widely expected to have an impact on overall residential property sales. Nevertheless, the Group believes that with Singapore's sound economic fundamentals and policies to support population growth, there will be sustainable demand for new homes over the long-term.

The Group is positive about its business in China which is underpinned by the urbanisation drive, growing affluence and increasing domestic consumption. The implementation of structural changes and fine-tuning of credit tightening policies by the Chinese authorities are intended to deliver stable and sustainable economic growth in the long-term. This bodes well for the Group as it intends to leverage new opportunities to increase its portfolio in the residential, commercial, shopping malls, serviced residences sectors as well as integrated developments.

Given that domestic demand remains healthy for CapitaMalls Asia's key markets such as Singapore, China and Malaysia, CMA is well on track to open new malls as well as explore opportunities to deepen its presence in existing markets. For the serviced residence business, Ascott will also continue to grow in its existing markets and seek new investment opportunities in key gateway cities in Asia and Europe.

CapitaLand will continue to focus on its core markets of Singapore and China as well as enhance its portfolio in residential, commercial, shopping malls, serviced residences and integrated developments. In addition, following the completion of the strategic review, Australand will remain a key investment for the Group and will continue to provide the Group with a stable stream of recurrent income.

The Group's net debt to equity remains healthy at 0.45 times and it has a consolidated cash balance of approximately S$5.2 billion as at end June 2013. Given its new streamlined corporate structure and robust balance sheet, CapitaLand is well-positioned to seek out growth opportunities.

11 Dividend

11(a) Any dividend declared for the present financial period? No.

11(b) Any dividend declared for the previous corresponding period? No.

11(c) Date payable : Not applicable.

11(d) Books closing date : Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared or recommended in the current reporting period.

13 Interested Person Transactions

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 June 2013 and the results of the business, changes in equity and cash flows of the Group for the six months ended on that date, to be false or misleading in any material respect.

On behalf of the Board

Ng Kee Choe
Chairman

Lim Ming Yan
Director

15 Segmental Revenue and Results

15(a)(i) By Strategic Business Units (SBUs) – 2Q 2013 vs 2Q 2012

	Revenue			Earnings before interest & tax		
	2Q 2013 S$'000	2Q 2012 [1] S$'000	Variance %	2Q 2013 S$'000	2Q 2012 [1] S$'000	Variance %
CapitaLand Singapore [2]	350,071	263,242	33.0	147,965	138,293	7.0
CapitaLand China [3]	248,161	172,327	44.0	105,276	103,461	1.8
CapitaMalls Asia	160,890	73,304	119.5	305,188	281,624	8.4
Ascott	109,577	101,923	7.5	45,647	74,503	(38.7)
Corporate and Others [4]	314,013	251,658	24.8	86,370	122,034	(29.2)
Total	**1,182,712**	**862,454**	**37.1**	**690,446**	**719,915**	**(4.1)**

15(a)(ii) By Strategic Business Units (SBUs) – 1H 2013 vs 1H 2012

	Revenue			Earnings before interest & tax		
	1H 2013 S$'000	1H 2012 S$'000	Variance %	1H 2013 S$'000	1H 2012 S$'000	Variance %
CapitaLand Singapore [2]	613,592	456,490	34.4	258,737	223,738	15.6
CapitaLand China [3]	300,650	215,876	39.3	214,419	156,334	37.2
CapitaMalls Asia	251,899	142,953	76.2	403,506	365,742	10.3
Ascott	202,205	189,536	6.7	53,123	89,176	(40.4)
Corporate and Others [4]	476,233	498,723	(4.5)	146,761	216,338	(32.2)
Total	**1,844,579**	**1,503,578**	**22.7**	**1,076,546**	**1,051,328**	**2.4**

Note : [1] *The comparatives have been restated due to the Group's internal restructuring.*
[2] *Includes residential business in Malaysia.*
[3] *Excludes Retail and Serviced Residences in China.*
[4] *Includes Australand, Surbana (Consultancy), Storhub, Financial Services and other businesses in Vietnam, Japan, UK and GCC.*

15(b)(i) By Geographical Location – 2Q 2013 vs 2Q 2012

	Revenue			Earnings before interest & tax		
	2Q 2013 S$'000	2Q 2012 S$'000	Variance %	2Q 2013 S$'000	2Q 2012 S$'000	Variance %
Singapore	471,830	314,655	50.0	262,852	290,200	(9.4)
China [1]	292,503	200,102	46.2	256,918	243,814	5.4
Other Asia [2]	41,719	30,462	37.0	52,023	45,205	15.1
Australia	318,147	257,000	23.8	109,087	118,290	(7.8)
Europe & Others	58,513	60,235	(2.9)	9,566	22,406	(57.3)
Total	**1,182,712**	**862,454**	**37.1**	**690,446**	**719,915**	**(4.1)**

15(b)(ii) By Geographical Location – 1H 2013 vs 1H 2012

	Revenue			Earnings before interest & tax		
	1H 2013 S$'000	1H 2012 S$'000	Variance %	1H 2013 S$'000	1H 2012 S$'000	Variance %
Singapore	785,692	553,779	41.9	439,417	418,969	4.9
China [1]	386,041	272,600	41.6	394,136	301,652	30.7
Other Asia [2]	82,644	56,998	45.0	77,234	117,157	(34.1)
Australia	485,836	512,277	(5.2)	158,199	193,372	(18.2)
Europe & Others	104,366	107,924	(3.3)	7,560	20,178	(62.5)
Total	**1,844,579**	**1,503,578**	**22.7**	**1,076,546**	**1,051,328**	**2.4**

Note : [1] *China including Hong Kong.*
[2] *Excludes Singapore and China and includes projects in GCC.*

16 In the review of performance, the factors leading to any material changes in contributions to revenue and earnings by the business or geographical segments

Please refer to Item 8.

17 Breakdown of Group's revenue and profit after tax for first half year and second half year

Not applicable.

18 Breakdown of Total Annual Dividend (in dollar value) of the Company

Not applicable.

BY ORDER OF THE BOARD

Low Sai Choy
Company Secretary
25 July 2013

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management on future events.

CapitaLand Limited and its Subsidiaries
Registration Number: 198900036N

Annual Report
Year ended 31 December 2012

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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 2012, 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 FS1 to FS112.

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 2012 and the results and changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
28 February 2013

Balance Sheets
As at 31 December 2012

	Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Non-current assets					
Property, plant and equipment	3	1,263,615	1,075,505	14,400	12,830
Intangible assets	4	462,093	458,722	147	147
Investment properties	5	7,969,402	7,074,617	–	–
Subsidiaries	6	–	–	10,546,914	10,605,809
Associates	7(a)	9,692,297	9,290,737	–	–
Joint ventures	8(a)	2,818,985	1,394,263	–	–
Deferred tax assets	9	91,595	95,671	2,589	2,884
Other non-current assets	10(a)	795,713	795,955	–	–
		23,093,700	20,185,470	10,564,050	10,621,670
Current assets					
Development properties for sale and stocks	11	7,510,093	6,905,124	–	–
Trade and other receivables	12	1,484,753	1,769,374	2,447,221	2,590,302
Other current assets	10(b)	201,370	195,000	–	–
Cash and cash equivalents	15	5,497,693	6,264,473	442,650	326,539
		14,693,909	15,133,971	2,889,871	2,916,841
Less: current liabilities					
Trade and other payables	16	2,359,598	2,270,488	76,694	70,834
Short term bank borrowings	18	765,826	426,011	–	–
Current portion of debt securities	19	16,346	434,228	–	–
Current tax payable		432,489	441,075	7,560	7,560
		3,574,259	3,571,802	84,254	78,394
Net current assets		11,119,650	11,562,169	2,805,617	2,838,447
Less: non-current liabilities					
Long term bank borrowings	18	6,617,114	6,105,790	–	–
Debt securities	19	6,780,492	5,224,610	3,512,287	3,432,956
Deferred tax liabilities	9	658,989	627,638	33,558	44,367
Other non-current liabilities	20	712,971	550,130	17,628	27,815
		14,769,566	12,508,168	3,563,473	3,505,138
Net assets		19,443,784	19,239,471	9,806,194	9,954,979
Representing:					
Share capital	22	6,300,011	6,298,355	6,300,011	6,298,355
Revenue reserves		8,910,445	8,328,115	3,125,358	3,296,610
Other reserves	23	(130,048)	275,067	380,825	360,014
Equity attributable to owners of the Company		15,080,408	14,901,537	9,806,194	9,954,979
Non-controlling interests		4,363,376	4,337,934	–	–
Total equity		19,443,784	19,239,471	9,806,194	9,954,979

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

Income Statements
Year ended 31 December 2012

		The Group		The Company	
		2012	**2011**	**2012**	**2011**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	25	3,301,363	3,019,569	444,827	499,542
Cost of sales		(2,073,289)	(1,946,684)	–	–
Gross profit		1,228,074	1,072,885	444,827	499,542
Other operating income	26(a)	586,949	713,704	62,107	160,625
Administrative expenses		(580,251)	(530,187)	(100,063)	(92,051)
Other operating expenses		(52,122)	(46,459)	(65,194)	(147,184)
Profit from operations		1,182,650	1,209,943	341,677	420,932
Finance costs	26(d)	(498,953)	(472,785)	(185,330)	(181,047)
Share of results (net of tax) of:					
- associates		699,197	651,194	–	–
- joint ventures		135,584	225,452	–	–
		834,781	876,646	–	–
Profit before taxation	26	1,518,478	1,613,804	156,347	239,885
Taxation	27	(201,907)	(190,884)	12,422	11,336
Profit for the year		1,316,571	1,422,920	168,769	251,221
Attributable to:					
Owners of the Company		930,347	1,057,311	168,769	251,221
Non-controlling interests		386,224	365,609	–	–
Profit for the year		1,316,571	1,422,920	168,769	251,221
Basic earnings per share (cents)	28	21.9	24.8		
Diluted earnings per share (cents)	28	21.7	24.6		

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

Statements of Comprehensive Income
Year ended 31 December 2012

		The Group		The Company	
		2012	**2011**	**2012**	**2011**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Profit for the year		1,316,571	1,422,920	168,769	251,221
Other comprehensive income:					
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations		(443,366)	145,889	–	–
Change in fair value of available-for-sale investments		(254)	(43,848)	–	–
Effective portion of change in fair value of cash flow hedges		(63,600)	(75,048)	–	–
Share of other comprehensive income of associates and joint ventures		(84,312)	101,812	–	–
Total other comprehensive income for the year, net of income tax	24	(591,532)	128,805	–	–
Total comprehensive income for the year		725,039	1,551,725	168,769	251,221
Attributable to:					
Owners of the Company		487,993	1,153,805	168,769	251,221
Non-controlling interests		237,046	397,920	–	–
Total comprehensive income for the year		725,039	1,551,725	168,769	251,221

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

Statements of Changes in Equity
Year ended 31 December 2012

	Attributable to owners of the Company					
The Group	**Share Capital $'000**	**Revenue Reserves $'000**	**Other Reserves $'000**	**Total $'000**	**Non-controlling Interests $'000**	**Total Equity $'000**
At 1 January 2012	6,298,355	8,328,115	275,067	14,901,537	4,337,934	19,239,471
Total comprehensive income						
Profit for the year	–	930,347	–	930,347	386,224	1,316,571
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	(333,608)	(333,608)	(109,758)	(443,366)
Change in fair value of available-for-sale investments	–	–	(254)	(254)	–	(254)
Effective portion of change in fair value of cash flow hedges	–	–	(36,761)	(36,761)	(26,839)	(63,600)
Share of other comprehensive income of associates and joint ventures	–	–	(71,731)	(71,731)	(12,581)	(84,312)
Total other comprehensive income, net of income tax	–	–	(442,354)	(442,354)	(149,178)	(591,532)
Total comprehensive income	–	930,347	(442,354)	487,993	237,046	725,039
Transactions with owners, recorded directly in equity						
Issue of shares	1,656	–	(7,840)	(6,184)	7,943	1,759
Dividends paid/payable	–	(340,021)	–	(340,021)	(151,565)	(491,586)
Share-based payments	–	–	27,166	27,166	13,507	40,673
Non-controlling interests contributions (net)	–	–	–	–	69,790	69,790
Effects of reclassification of a subsidiary to interest in joint venture	–	–	–	–	(150,000)	(150,000)
Changes in ownership interests in subsidiaries with a change in control	–	–	–	–	(135)	(135)
Changes in ownership interests in subsidiaries with no change in control	–	974	66	1,040	(1,040)	–
Share of reserves of associates and joint ventures	–	(10,861)	19,083	8,222	(533)	7,689
Others	–	1,891	(1,236)	655	429	1,084
Total transactions with owners	1,656	(348,017)	37,239	(309,122)	(211,604)	(520,726)
At 31 December 2012	6,300,011	8,910,445	(130,048)	15,080,408	4,363,376	19,443,784

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

Statements of Changes in Equity
Year ended 31 December 2012

	Attributable to owners of the Company					
The Group	**Share Capital $'000**	**Revenue Reserves $'000**	**Other Reserves $'000**	**Total $'000**	**Non-controlling Interests $'000**	**Total Equity $'000**
At 1 January 2011	6,276,504	7,511,740	243,689	14,031,933	3,833,271	17,865,204
Total comprehensive income						
Profit for the year	–	1,057,311	–	1,057,311	365,609	1,422,920
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	–	–	95,337	95,337	50,552	145,889
Change in fair value of available-for-sale investments	–	–	(43,848)	(43,848)	–	(43,848)
Effective portion of change in fair value of cash flow hedges	–	–	(47,372)	(47,372)	(27,676)	(75,048)
Share of other comprehensive income of associates and joint ventures	–	–	92,377	92,377	9,435	101,812
Total other comprehensive income, net of income tax	–	–	96,494	96,494	32,311	128,805
Total comprehensive income	–	1,057,311	96,494	1,153,805	397,920	1,551,725
Transactions with owners, recorded directly in equity						
Issue of shares	21,851	–	(20,694)	1,157	–	1,157
Purchase of treasury shares	–	–	(63,456)	(63,456)	–	(63,456)
Dividends paid/payable	–	(256,161)	–	(256,161)	(147,654)	(403,815)
Share-based payments	–	–	28,800	28,800	2,958	31,758
Non-controlling interests contributions (net)	–	–	–	–	151,059	151,059
Changes in ownership interests in subsidiaries with a change in control	–	–	–	–	144,249	144,249
Changes in ownership interests in subsidiaries with no change in control	–	17,322	(3,436)	13,886	(43,154)	(29,268)
Share of reserves of associates and joint ventures	–	(14,455)	5,225	(9,230)	(765)	(9,995)
Others	–	12,358	(11,555)	803	50	853
Total transactions with owners	21,851	(240,936)	(65,116)	(284,201)	106,743	(177,458)
At 31 December 2011	6,298,355	8,328,115	275,067	14,901,537	4,337,934	19,239,471

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

Statements of Changes in Equity
Year ended 31 December 2012

	Attributable to owners of the Company					
	Share Capital $'000	**Revenue Reserve $'000**	**Reserve For Own Shares $'000**	**Capital Reserves $'000**	**Equity Compensation Reserve $'000**	**Total Equity $'000**
The Company						
At 1 January 2012	6,298,355	3,296,610	(63,456)	383,490	39,980	9,954,979
Total comprehensive income						
Profit for the year	–	168,769	–	–	–	168,769
Transactions with owners, recorded directly in equity						
Dividends paid	–	(340,021)	–	–	–	(340,021)
Issue of shares	1,656	–	–	–	(204)	1,452
Issue of treasury shares	–	–	14,090	–	(2,560)	11,530
Share-based payments	–	–	–	–	9,485	9,485
Total transactions with owners	1,656	(340,021)	14,090	–	6,721	(317,554)
At 31 December 2012	6,300,011	3,125,358	(49,366)	383,490	46,701	9,806,194
At 1 January 2011	6,276,504	3,301,550	–	383,490	37,862	9,999,406
Total comprehensive income						
Profit for the year	–	251,221	–	–	–	251,221
Transactions with owners, recorded directly in equity						
Dividends paid	–	(256,161)	–	–	–	(256,161)
Issue of shares	21,851	–	–	–	(4,813)	17,038
Purchase of treasury shares	–	–	(63,456)	–	–	(63,456)
Share-based payments	–	–	–	–	6,931	6,931
Total transactions with owners	21,851	(256,161)	(63,456)	–	2,118	(295,648)
At 31 December 2011	6,298,355	3,296,610	(63,456)	383,490	39,980	9,954,979

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

Consolidated Statement of Cash Flows
Year ended 31 December 2012

	2012 $'000	2011 $'000
Operating activities		
Profit after taxation	1,316,571	1,422,920
Adjustments for:		
Amortisation and impairment of intangible assets	1,256	1,601
Allowance/(Reversal of allowance) for:		
- foreseeable losses, net	33,429	39,155
- doubtful receivables	22,934	406
- impairment on financial assets	6,242	1,329
- impairment on interests in associates and joint ventures	5,034	3,437
- impairment on property, plant and equipment	8,768	729
Gain from bargain purchase	(4,488)	(26)
Share-based expenses	46,652	34,343
Depreciation of property, plant and equipment	45,111	39,008
Gain on disposal of property, plant and equipment	(41,836)	(969)
Gain on disposal of investment properties	–	(19,411)
Net fair value gain from investment properties	(155,092)	(285,032)
Net gain on disposal/liquidation/dilution of equity investments and other financial assets	(170,850)	(227,017)
Realisation of reserves for pre-existing interest in acquirees	(5,146)	(12,631)
Share of results of associates and joint ventures	(834,781)	(876,646)
Accretion of deferred income	(3,302)	9,910
Finance costs	498,953	472,785
Interest income	(93,764)	(80,957)
Taxation	201,907	190,884
	(438,973)	(709,102)
Operating profit before working capital changes	877,598	713,818
Changes in working capital:		
Trade and other receivables	56,894	(104,993)
Development properties for sale	(642,410)	(1,073,350)
Trade and other payables	104,471	(142,482)
Restricted bank deposits	5,396	(6,777)
	(475,649)	(1,327,602)
Cash generated from/(used in) operations	401,949	(613,784)
Income tax paid	(152,650)	(194,922)
Net cash generated from/(used in) operating activities	249,299	(808,706)

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

Consolidated Statement of Cash Flows
Year ended 31 December 2012

	Note	2012 $'000	2011 $'000
Investing activities			
Proceeds from disposal of property, plant and equipment		221,695	3,470
Purchase of property, plant and equipment		(145,895)	(135,493)
Investments in associates and joint ventures		(1,404,352)	(183,263)
Advance to investee companies and other receivables		(30,931)	(7,354)
Prepayment for acquisition of an investment property		(38,091)	(22,441)
Deposits for new investments		(86,702)	(400,000)
Deposit for disposal of a subsidiary		–	48,976
Acquisition of investment properties		(877,620)	(1,958,528)
Proceeds from disposal of investment properties		93,854	502,889
Proceeds from disposal of/(Investment in) other financial assets		17,932	(267,580)
Dividends received from associates and joint ventures		421,323	533,174
Acquisitions of subsidiaries, net of cash acquired	30(b)	(426,382)	(419,018)
Disposals of subsidiaries, net of cash disposed off	30(d)	323,001	1,142,375
Interest income received		46,470	52,513
Net cash used in investing activities		(1,885,698)	(1,110,280)
Financing activities			
Proceeds from issue of shares under options		1,011	2,804
Purchase of treasury shares		–	(63,456)
Borrowings from non-controlling interests		56,411	49,083
(Return of capital to)/Contributions from non-controlling interests		(917)	149,412
Proceeds from disposal/(Payments for acquisition) of ownership interests in subsidiaries with no change in control		69,928	(29,268)
Proceeds from bank borrowings		3,348,158	5,516,970
Repayments of bank borrowings		(2,524,434)	(3,522,087)
Proceeds from issue of debt securities		1,482,965	696,200
Repayments of debt securities		(431,737)	(919,614)
Dividends paid to non-controlling interests		(152,997)	(146,239)
Dividends paid to shareholders		(340,021)	(256,161)
Interest expense paid		(552,060)	(495,946)
Net cash generated from financing activities		956,307	981,698
Net decrease in cash and cash equivalents		(680,092)	(937,288)
Cash and cash equivalents at beginning of the year		6,254,967	7,187,335
Effect of exchange rate changes on cash balances held in foreign currencies		(81,292)	4,920
Cash and cash equivalents at end of the year	15	5,493,583	6,254,967

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 February 2013.

1 Domicile and Activities

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

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

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

The consolidated financial statements relate to the Company and its subsidiaries (the "Group") and the Group's interests in associates and joint ventures.

2 Summary of Significant Accounting Policies

(a) Basis of preparation

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

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

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

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

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

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

Note 9 – recognition of deferred tax assets

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 2(d), 3 – determination of useful lives of property, plant and equipment and estimation of residual value of serviced residence properties

Note 4 – measurement of recoverable amounts of goodwill

Note 5 – fair value determination of investment properties

Note 11 – estimation of the percentage of completion of the projects' attributable profits for development properties for sale and allowance for foreseeable losses

Note 20 – measurement of provisions

Note 21 – measurement of share-based payments

Note 31 – fair value determination of assets, liabilities and contingent liabilities acquired in business combinations

Note 32 – fair value determination of financial instruments

The Group applies the amendments to FRS 12 *Income Tax – Deferred Tax: Recovery of Underlying Assets*, which became effective as of 1 January 2012. The amendments apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 *Investment Property*. For the purposes of measuring deferred tax, the amendments introduce a rebuttable presumption that the carrying amount of such investment property will be recovered entirely through sale. The adoption of amendments to FRS 12 do not have any significant impact on the financial position or performance of the Group.

Except for the above changes, the accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements and have been applied consistently by the entities in the Group.

(b) Basis of consolidation

(i) Business combinations

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

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

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the events 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. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are entities (including unincorporated or incorporated companies, partnerships and trusts) over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

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

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is stated at zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

(iv) Transactions eliminated on consolidation

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

(v) Accounting for subsidiaries, associates and joint ventures by the Company

Investments in subsidiaries, associates and joint ventures are stated in the Company's balance sheet at cost less accumulated impairment losses.

(c) Foreign currencies

Foreign currency transactions

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

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange 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 reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising from retranslation are recognised in the profit or loss, except for differences arising from the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation, available-for-sale equity instruments and financial liabilities designated as hedges of net investment in a foreign operation (see note 2(g)) or qualifying cash flow hedges to the extent such hedges are effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore Dollars at exchange rates prevailing at the 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.

(d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Certain of the Group's property, plant and equipment acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset if it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Leasehold land and buildings (excluding serviced residence properties)	Lease period ranging from 30 years to 50 years
Hospitality plant, machinery and improvements, furniture, fittings and equipment	1 to 10 years
Plant, machinery and improvements	3 to 10 years
Motor vehicles	5 years
Furniture, fittings and equipment	2 to 5 years

For serviced residence properties where the residual value at the end of the intended holding period is lower than the carrying amount, the difference in value is depreciated over the Group's intended holding period. No depreciation is recognised where the residual value is higher than the carrying amount. 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.

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.

(e) Intangible assets

(i) Goodwill

Acquisition on or after 1 January 2010

For business combinations on or after 1 January 2010, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any pre-existing equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a bargain purchase gain is recognised in the profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

Goodwill arising from the acquisition of subsidiaries is included in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

Acquisition up to 31 December 2009

Prior to 1 January 2010, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 2(j). Negative goodwill is credited to the profit or loss in the period of the acquisition.

Acquisition of non-controlling interests

From 1 January 2010, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. Previously, goodwill arising on the acquisition of non-controlling interests in a subsidiary has been recognised, and represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

(ii) Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses. They are amortised in the profit or loss on a straight-line basis over their estimated useful lives of one to 10 years, from the date on which they are available for use.

Other intangible assets with indefinite useful lives are not amortised and are measured at cost less impairment losses.

(f) Investment properties and investment properties under development

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties under development are properties being constructed or developed for future use as investment properties. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets. Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the profit or loss. The fair value is determined based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every three years.

When an investment property or investment property under development is disposed off, the resulting gain or loss recognised in the profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

(g) Financial instruments

(i) Non-derivative financial assets

Non-derivative financial assets comprise investments in equity and debt securities, trade and other receivables and cash and cash equivalents.

Non-derivative financial assets are recognised initially at fair value plus, including financial assets not held at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial assets are measured as described below.

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset.

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. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses (see note 2(g)(v)) and foreign exchange gains and losses on available-for-sale monetary items (see note 2(c)), are recognised directly in other comprehensive income and presented in the available-for-sale reserve in equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to the profit or loss.

Investments in equity securities whose fair value cannot be reliably measured are measured at cost less impairment loss.

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 statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

(ii) Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance is reclassified to profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to the profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the profit or loss. The hedged item is adjusted to reflect change in its fair value in respect of the risk being hedged, with any gain or loss being recognised in the profit or loss.

Hedge of net investment in a foreign operation

In the Company's financial statements, foreign currency differences arising from the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the profit or loss. On consolidation, such differences are recognised directly in other comprehensive income and presented in the foreign currency translation reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the profit or loss. When the hedged net investment is disposed off, the cumulative amount in other comprehensive income is transferred to the profit or loss.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in the profit or loss.

Other non-trading derivatives

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

(iii) Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

(iv) Financial guarantees

Financial guarantee contracts are classified as financial liabilities unless the Group or the Company has previously asserted explicitly that it regards such contracts as insurance contracts and accounted for them as such.

Financial guarantees classified as financial liabilities

Such financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Financial guarantees classified as insurance contracts

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

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

(v) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has 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 in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

All individually significant financial assets are assessed for specific impairment on an individual basis. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has incurred but not yet identified. The remaining financial assets that are not individually significant are collectively assessed for impairment by grouping together such instruments with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than that suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in the profit or loss and reflected as an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the available-for-sale reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the profit or loss. Changes in impairment provision attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in the profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(h) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity.

Where share capital recognised as equity is repurchased ("treasury shares"), the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in reserve for own share account. Where treasury shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(i) Development properties for sale

Development properties for sale are stated at the lower of cost plus, where appropriate (see note 2(n)), a portion of the attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of properties under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

(j) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified, an impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGU that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

(k) Employee benefits

Short term employee benefits

All short term employee benefits, including accumulated compensated absences, are recognised in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

Long service leave entitlement

Liabilities for other employee entitlements which are not expected to be paid or settled within twelve months of the reporting date are accrued in respect of all employees at the present value of the future amounts expected to be paid based on a projected weighted average increase in wage and salary rates. Expected future payments are discounted using interest rates on relevant government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Share-based payments

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised for the period.

The proceeds received from the exercise of the equity instruments, net of any directly attributable transaction costs, are credited to share capital when the equity instruments are exercised.

(l) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

(m) Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest over the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in either property, plant and equipment (see note 2(d)) or investment properties (see note 2(f)).

(n) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

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 services are rendered.

Dividends

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

Interest income

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

(o) Finance costs

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

(p) Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(q) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise issued convertible bonds and share plans granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Council of Chief Executive Officers ("CEOs") that makes strategic resources allocation decisions. Following the re-organisation on 3 January 2013, the Council of CEOs has been renamed to Executive Management Council. The Council comprises the President & Group CEO, all CEOs of business units and key management officers of the Corporate Office.

3 Property, Plant and Equipment

The Group	Serviced residence properties $'000	Leasehold land $'000	Other leasehold buildings $'000	Plant, machinery and improvements $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Assets under construction $'000	Total $'000
Cost								
At 1 January 2012	806,127	5,128	61,788	95,523	2,424	328,515	66,948	1,366,453
Translation differences	(37,754)	(43)	(384)	(2,679)	(82)	(13,402)	(5,967)	(60,311)
Additions	3,373	–	501	2,622	848	47,345	90,180	144,869
Acquisition of subsidiaries (note 30(b))	315,016	–	–	–	–	3,356	–	318,372
Disposal of subsidiaries	(74,920)	(4,244)	(28,954)	(44,231)	(145)	(14,560)	–	(167,054)
Disposals/Written off	(169,764)	–	(428)	(2,150)	(459)	(26,618)	(6,378)	(205,797)
Reclassification from other category of assets	18,277	–	–	–	–	–	121,551	139,828
Reclassifications	(3,552)	–	–	(279)	5	3,834	(8)	–
At 31 December 2012	856,803	841	32,523	48,806	2,591	328,470	266,326	1,536,360
Accumulated depreciation and impairment loss								
At 1 January 2012	22,305	315	15,537	47,252	1,280	204,259	–	290,948
Translation differences	(289)	(3)	(35)	(1,714)	(32)	(9,581)	–	(11,654)
Impairment	–	–	1,306	–	–	66	–	1,372
Depreciation for the year	1,405	37	1,510	4,460	323	37,376	–	45,111
Disposal of subsidiaries	(8,580)	(258)	(3,091)	(9,089)	(86)	(8,222)	–	(29,326)
Disposals/Written off	–	–	(214)	(2,005)	(173)	(21,314)	–	(23,706)
Reclassifications	(182)	–	–	(18)	1	199	–	–
At 31 December 2012	14,659	91	15,013	38,886	1,313	202,783	–	272,745
Carrying amount								
At 1 January 2012	783,822	4,813	46,251	48,271	1,144	124,256	66,948	1,075,505
At 31 December 2012	842,144	750	17,510	9,920	1,278	125,687	266,326	1,263,615

The Group	**Serviced residence properties $'000**	**Leasehold land $'000**	**Other leasehold buildings $'000**	**Plant, machinery and improvements $'000**	**Motor vehicles $'000**	**Furniture, fittings and equipment $'000**	**Assets under construction $'000**	**Total $'000**
Cost								
At 1 January 2011	853,448	5,017	49,187	90,331	3,055	284,230	47,761	1,333,029
Translation differences	(21,244)	111	533	1,645	3	2,630	(6,247)	(22,569)
Additions	2,406	–	13,404	5,204	623	72,305	11,084	105,026
Acquisition of subsidiaries (note 30(b))	201,645	–	–	218	–	357	16,615	218,835
Disposal of subsidiaries	(229,397)	–	(164)	–	(555)	(10,256)	(1,738)	(242,110)
Disposals/Written off	(731)	–	(1,172)	(2,278)	(702)	(22,425)	–	(27,308)
Reclassification from other category of assets	–	–	–	–	–	1,550	–	1,550
Reclassifications	–	–	–	403	–	124	(527)	–
At 31 December 2011	806,127	5,128	61,788	95,523	2,424	328,515	66,948	1,366,453
Accumulated depreciation and impairment loss								
At 1 January 2011	21,359	171	14,364	42,124	2,081	203,523	–	283,622
Translation differences	820	10	(311)	436	3	1,463	–	2,421
Depreciation for the year	126	134	1,958	6,783	336	29,671	–	39,008
Disposal of subsidiaries	–	–	–	–	(523)	(9,141)	–	(9,664)
Disposals/Written off	–	–	(474)	(2,091)	(617)	(21,257)	–	(24,439)
At 31 December 2011	22,305	315	15,537	47,252	1,280	204,259	–	290,948
Carrying amount								
At 1 January 2011	832,089	4,846	34,823	48,207	974	80,707	47,761	1,049,407
At 31 December 2011	783,822	4,813	46,251	48,271	1,144	124,256	66,948	1,075,505

(a) 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. 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 and discount rate. In relying on valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

(b) As at 31 December 2012, certain property, plant and equipment with carrying value totalling approximately $294.8 million (2011: $391.6 million) were mortgaged to banks to secure credit facilities for the Group (note 18).

(c) During the financial year ended 31 December 2012, the Group transferred a portion of an investment property under development amounting to $121.6 million to property, plant and equipment. The amount transferred represents the area that is designated to be owner-occupied.

(d) During the financial year ended 31 December 2012, interest capitalised as cost of property, plant and equipment amounted to approximately $1.0 million (2011: $3.1 million) (note 26(d)).

	Renovations and improvements $'000	**Furniture, fittings and equipment $'000**	**Motor vehicles $'000**	**Total $'000**
The Company				
Cost				
At 1 January 2012	11,748	23,934	516	36,198
Additions	143	7,049	352	7,544
Disposals/Written off	(4)	(1,713)	(341)	(2,058)
At 31 December 2012	11,887	29,270	527	41,684
Accumulated depreciation and impairment loss				
At 1 January 2012	11,379	11,780	209	23,368
Impairment	–	66	–	66
Depreciation for the year	290	5,255	72	5,617
Disposals/Written off	(4)	(1,700)	(63)	(1,767)
At 31 December 2012	11,665	15,401	218	27,284
Carrying amount				
At 1 January 2012	369	12,154	307	12,830
At 31 December 2012	222	13,869	309	14,400

	Renovations and improvements $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
The Company				
Cost				
At 1 January 2011	11,578	16,741	442	28,761
Additions	170	7,762	340	8,272
Disposals/Written off	–	(569)	(266)	(835)
At 31 December 2011	11,748	23,934	516	36,198
Accumulated depreciation				
At 1 January 2011	10,784	9,380	433	20,597
Depreciation for the year	595	2,961	42	3,598
Disposals/Written off	–	(561)	(266)	(827)
At 31 December 2011	11,379	11,780	209	23,368
Carrying amount				
At 1 January 2011	794	7,361	9	8,164
At 31 December 2011	369	12,154	307	12,830

4 Intangible Assets

	Note	Goodwill $'000	Others^ $'000	Total $'000
The Group				
Cost				
At 1 January 2012		511,086	26,969	538,055
Acquisition of a subsidiary	30(b)	16,919	–	16,919
Additions		–	1,202	1,202
Disposals		(12,350)	–	(12,350)
Reclassification to other category of assets		–	(726)	(726)
Translation differences		(478)	(468)	(946)
At 31 December 2012		515,177	26,977	542,154
Accumulated amortisation and impairment loss				
At 1 January 2012		66,161	13,172	79,333
Amortisation for the year		–	1,329	1,329
Reversal of impairment		–	(73)	(73)
Translation differences		(182)	(346)	(528)
At 31 December 2012		65,979	14,082	80,061
Carrying amount				
At 1 January 2012		444,925	13,797	458,722
At 31 December 2012		449,198	12,895	462,093

	Goodwill $'000	Others^ $'000	Total $'000
The Group			
Cost			
At 1 January 2011	511,341	26,048	537,389
Acquisition of a subsidiary	–	835	835
Additions	–	410	410
Disposals/Written off	(492)	(21)	(513)
Translation differences	237	(303)	(66)
At 31 December 2011	511,086	26,969	538,055
Accumulated amortisation and impairment loss			
At 1 January 2011	65,924	11,860	77,784
Amortisation for the year	–	1,601	1,601
Translation differences	237	(289)	(52)
At 31 December 2011	66,161	13,172	79,333
Carrying amount			
At 1 January 2011	445,417	14,188	459,605
At 31 December 2011	444,925	13,797	458,722

The Company

	Goodwill $'000	Others^ $'000	Total $'000
Cost and carrying amount			
At 1 January 2011, 31 December 2011 and 31 December 2012	–	147	147

^ *Others comprise trademarks, franchises, patents, licences and club memberships.*

Impairment test for Goodwill

For the purpose of goodwill impairment testing, the carrying amounts of goodwill allocated to the cash-generating units ("CGU") as at 31 December were as follows:

	Terminal Growth Rates		Discount Rates		Carrying Value	
	2012	2011	2012	2011	2012	2011
	%	%	%	%	$'000	$'000
The Ascott Limited ("Ascott")	0.4	0.7	5.8	5.6	432,279	444,925
A Serviced Residence in London	2.5	–	7.8	–	16,919	–
Balance as at 31 December					449,198	444,925

The recoverable amounts of the CGU are determined based on value in use calculations. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and 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 room rates and occupancy and direct costs. The terminal growth rates used for each CGU do not exceed management's expectation of the long term average growth rates of the respective industry and country in which the CGU operates.

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

5 Investment Properties

		The Group	
	Note	2012	2011
		$'000	$'000
At 1 January		7,074,617	4,732,895
Acquisition of subsidiaries	30(b)	544,416	428,255
Disposal of subsidiaries	30(d)	(249,579)	(239,052)
Additions		904,341	2,172,334
Disposals		(93,874)	(471,248)
Reclassification (to)/from development properties for sale and property, plant and equipment		(194,986)	52,347
Changes in fair value	26(a)	155,092	285,032
Translation differences		(170,625)	114,054
At 31 December		7,969,402	7,074,617

(a) Investment properties, which include investment properties in the course of development are stated at fair value based on independent professional valuations or internal valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, 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.

(b) As at 31 December 2012, investment properties valued at $2,956.1 million (2011: $3,376.5 million) were under development.

(c) As at 31 December 2012, certain investment properties with carrying value of approximately $3,319.2 million (2011: $2,289.0 million) were mortgaged to banks to secure credit facilities for the Group (notes 18 and 19).

(d) During the financial year ended 31 December 2012, interest capitalised as cost of investment properties amounted to approximately $52.6 million (2011: $23.5 million) (note 26(d)).

(e) Investment properties of the Group are held mainly for use by tenants under operating leases. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:

	The Group		**The Company**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Lease rentals receivable:				
Not later than 1 year	346,878	300,985	–	–
Between 1 and 5 years	1,096,018	1,030,601	–	–
After 5 years	638,301	491,466	–	–
	2,081,197	1,823,052	–	–

(f) Contingent rents, representing income based on sales turnover achieved by tenants, amounted to $5.7 million for the year (2011: $3.5 million).

6 Subsidiaries

	The Company 2012 $'000	The Company 2011 $'000
(a) Unquoted shares, at cost	7,438,402	7,434,320
Less:		
Allowance for impairment loss	(87,459)	(70,264)
	7,350,943	7,364,056
Add:		
Amounts due from subsidiaries:		
Loan accounts		
- interest bearing	1,424,750	1,424,750
- interest free	1,957,468	1,956,745
Less: Allowance for doubtful receivables	(186,247)	(139,742)
	3,195,971	3,241,753
	10,546,914	10,605,809

(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 2012, the effective interest rates for amounts due from subsidiaries ranged from 2.10% to 2.95% (2011: 2.10% to 2.95%) per annum.

(iii) Movements in allowance for impairment loss were as follows:

	Note	The Company 2012 $'000	The Company 2011 $'000
At 1 January		(70,264)	(113,700)
Allowance during the year		(31,904)	(16,931)
Reversal of allowance during the year	26(a)	2,601	–
Transfer to allowance for doubtful receivables	6(a)(iv)	12,108	–
Allowance utilised upon disposal		–	60,367
At 31 December		(87,459)	(70,264)

During the year ended 31 December 2012, an allowance for impairment loss amounting to $31.9 million (2011: $16.9 million) was recognised in respect of the Company's investments in certain subsidiaries as a result of a decline in market value of assets held by these subsidiaries, arising from a deterioration of the economic environment in which the relevant subsidiaries operate. The recoverable amounts for each of the relevant subsidiaries were estimated based on the higher of the value in use calculation using cash flow projections based on financial budgets and forecasts covering a three year period, or the fair value of the net assets as at balance sheet date. During the year, a transfer of impairment amounting to $12.1 million was also made as a result of an internal restructuring.

(iv) The movements in allowances for doubtful receivables during the year in respect of the amounts due from subsidiaries were as follows:

		The Company	
	Note	**2012**	**2011**
		$'000	**$'000**
At 1 January		(139,742)	(8,960)
Allowance during the year		(34,397)	(130,782)
Transfer from allowance for impairment loss	6(a)(iii)	(12,108)	–
At 31 December		(186,247)	(139,742)

In 2012, an allowance for doubtful receivables of $34.4 million (2011: $130.8 million) was made in respect of loans extended to subsidiaries based on the estimated future cash flow recoveries.

(b) Details of the subsidiaries are set out in note 37.

7 Associates

	The Group	
	2012	**2011**
	$'000	**$'000**
(a) Interests in associates		
Investment in associates	9,083,337	8,668,135
Less:		
Allowance for impairment loss	(28,049)	(48,090)
	9,055,288	8,620,045
Add:		
Amounts due from associates:		
Loan accounts		
- interest free	305,774	339,910
- interest bearing	331,289	331,289
	637,063	671,199
	9,692,351	9,291,244
Less:		
Allowance for doubtful receivables	(54)	(507)
	9,692,297	9,290,737

(i) Movements in allowance for impairment loss were as follows:

	Note	The Company 2012 $'000	2011 $'000
At 1 January		(48,090)	(48,473)
Allowance during the year	26(c)(iii)	(4,612)	(3,437)
Allowance utilised upon disposal		24,653	3,820
At 31 December		(28,049)	(48,090)

(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 2012, the effective interest rate for the loan to an associate is 2.28% (2011: 2.54%) per annum.

(iv) Loan accounts include an amount of approximately $331.3 million (2011: $331.3 million) of which its repayment is subordinated to that of the external borrowings taken by an associate.

(v) The Group's share of the contingent liabilities of the associates is $360.9 million (2011: $339.6 million).

(vi) The Group's investments in associates include investments in listed associates with a carrying amount of $4,969.3 million (2011: $4,774.6 million), for which the published price quotations are $5,433.8 million (2011: $3,900.1 million).

	Note	The Group 2012 $'000	2011 $'000
(b) Amounts due from/(to) associates:			
Current accounts (unsecured)			
- interest free (trade)		64,131	60,616
- interest free (non-trade)		62,699	84,570
- interest bearing (non-trade)		498,550	269,416
		625,380	414,602
Less:			
Allowance for doubtful receivables		(19,759)	(5,475)
	12	605,621	409,127
Current accounts (mainly non-trade and unsecured)			
- interest free		(164,068)	(114,431)
- interest bearing		(171,374)	(155,474)
	16	(335,442)	(269,905)

(c) Details of the associates are set out in note 38.

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

	The Group	
	2012	**2011**
	$'000	**$'000**
Balance sheet		
Total assets	50,122,018	47,535,023
Total liabilities	23,663,896	22,345,535
Income statement		
Revenue	4,830,656	4,682,279
Profit after taxation	2,271,633	1,969,598

8 Joint Ventures

	The Group	
	2012	**2011**
	$'000	**$'000**
(a) Interests in joint ventures		
Investment in joint ventures	1,841,201	1,123,804
Less:		
Allowance for impairment loss	(10,633)	(10,211)
	1,830,568	1,113,593
Amounts due from joint ventures:		
Loan accounts		
- interest free	838,533	104,841
- interest bearing	162,341	188,954
	1,000,874	293,795
	2,831,442	1,407,388
Less:		
Allowance for doubtful receivables	(12,457)	(13,125)
	2,818,985	1,394,263

(i) Movements in allowance for impairment loss were as follows:

	Note	The Group 2012 $'000	The Group 2011 $'000
At 1 January		(10,211)	(13,004)
Allowance during the year	26(c)(iii)	(422)	–
Allowance utilised upon disposal		–	2,793
At 31 December		(10,633)	(10,211)

(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.

As at 31 December 2012, the effective interest rates for the loans to joint ventures ranged from 1.06% to 7.25% (2011: 1.00% to 7.25%) per annum.

Loan accounts include an amount of approximately $178.0 million (2011: $182.1 million) of which its repayment is subordinated to that of the external borrowings taken by certain joint ventures.

	Note	The Group 2012 $'000	The Group 2011 $'000
(b) Amounts due from/(to) joint ventures:			
Current accounts (unsecured)			
- interest free (trade)		18,639	13,693
- interest free (non-trade)		96,859	145,814
- interest bearing (non-trade)		9,451	–
		124,949	159,507
Less:			
Allowance for doubtful receivables		(9,268)	(9,606)
	12	115,681	149,901
Current accounts (unsecured)			
- interest free (mainly non-trade)		(27,181)	(31,139)
- interest bearing (non-trade)		(31,615)	–
	16	(58,796)	(31,139)

(c) Details of the joint ventures are set out in note 39.

(d) Movements in allowance for doubtful receivables in respect of the above loans and current accounts were as follows:

	The Group	
	2012	**2011**
	$'000	**$'000**
At 1 January	(22,731)	(24,749)
Allowance during the year	(1,710)	(990)
Reversal of allowance during the year	1,663	1,622
Allowance utilised	–	395
Translation differences	1,053	991
At 31 December	(21,725)	(22,731)

(e) The Group's share of the joint ventures' assets, liabilities and results is as follows:

	The Group	
	2012	**2011**
	$'000	**$'000**
Balance sheet		
Investment properties	3,313,799	2,107,386
Other non-current assets	318,691	56,964
	3,632,490	2,164,350
Current assets	1,407,584	1,120,963
Less:		
Current liabilities	(462,441)	(310,452)
Net current assets	945,143	810,511
	4,577,633	2,974,861
Less:		
Non-current liabilities	(2,686,547)	(1,797,894)
	1,891,086	1,176,967
Income statement		
Revenue	569,864	599,222
Expenses	(437,683)	(468,261)
Fair value gains on investment properties	31,149	109,893
Profit before taxation	163,330	240,854
Taxation	(27,746)	(15,402)
Profit after taxation	135,584	225,452

(f) The Group's share of the capital commitments of the joint ventures is $858.5 million (2011: $333.2 million).

(g) The Group's share of the contingent liabilities of the joint ventures is $9.0 million (2011: $0.1 million).

9 Deferred Taxation

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) were as follows:

	At 1/1/2012 $'000	Recognised in profit or loss $'000	Acquisition/ Disposal of subsidiaries $'000	Translation differences $'000	At 31/12/2012 $'000
The Group					
Deferred tax liabilities					
Accelerated tax depreciation	14,420	2,438	(2,547)	(357)	13,954
Discounts on compound financial instruments	44,367	(10,809)	–	–	33,558
Accrued income and interest receivable	15,038	2,905	–	(35)	17,908
Capital allowances of assets in investment properties	2,148	27	–	–	2,175
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	461,680	(6,072)	–	(17,788)	437,820
Fair value adjustments arising from a business combination	–	–	19,313	(338)	18,975
Fair value changes of investment properties	140,213	34,822	(8,416)	(7,311)	159,308
Unremitted earnings/Deferred income	41,266	6,218	–	(819)	46,665
Others	9,495	18,406	(205)	(496)	27,200
Total	728,627	47,935	8,145	(27,144)	757,563

	At 1/1/2012 $'000	Recognised in profit or loss $'000	Translation differences $'000	At 31/12/2012 $'000
The Group				
Deferred tax assets				
Unutilised tax losses	(61,689)	(4,833)	1,260	(65,262)
Provisions and expenses	(58,598)	2,190	703	(55,705)
Deferred income	(22,809)	1,908	394	(20,507)
Fair value adjustments on initial recognition of development properties for sale	(24,218)	–	1,133	(23,085)
Others	(29,346)	3,525	211	(25,610)
Total	(196,660)	2,790	3,701	(190,169)

The Group	At 1/1/2011 $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Disposal of subsidiaries $'000	Translation differences $'000	At 31/12/2011 $'000
Deferred tax liabilities						
Accelerated tax depreciation	12,736	1,093	–	–	591	14,420
Discounts on compound financial instruments	55,176	(10,809)	–	–	–	44,367
Accrued income and interest receivable	13,661	1,359	–	–	18	15,038
Capital allowances of assets in investment properties	10,075	(7,927)	–	–	–	2,148
Profits recognised on percentage of completion and fair value adjustments on initial recognition of development properties for sale	430,675	22,243	–	(1,925)	10,687	461,680
Fair value changes of investment properties	95,692	46,449	–	(7,539)	5,611	140,213
Unremitted earnings/Deferred income	26,309	14,409	–	–	548	41,266
Derivative financial instruments	589	(606)	–	–	17	–
Others	22,766	(9,846)	(1,482)	(2,104)	161	9,495
Total	667,679	56,365	(1,482)	(11,568)	17,633	728,627
Deferred tax assets						
Unutilised tax losses	(78,427)	17,372	–	–	(634)	(61,689)
Provisions and expenses	(57,385)	(367)	–	–	(846)	(58,598)
Deferred income	(17,741)	(4,645)	–	–	(423)	(22,809)
Fair value adjustments on initial recognition of development properties for sale	(23,592)	–	–	–	(626)	(24,218)
Others	(8,148)	(21,406)	–	–	208	(29,346)
	(185,293)	(9,046)	–	–	(2,321)	(196,660)

	At 1/1/2011 $'000	Recognised in profit or loss $'000	At 1/1/2012 $'000	Recognised in profit or loss $'000	At 31/12/2012 $'000
The Company					
Deferred tax liabilities					
Discounts on compound financial instruments	55,176	(10,809)	44,367	(10,809)	33,558
Deferred tax assets					
Provisions	(3,135)	251	(2,884)	295	(2,589)

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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Deferred tax liabilities	658,989	627,638	33,558	44,367
Deferred tax assets	(91,595)	(95,671)	(2,589)	(2,884)
	567,394	531,967	30,969	41,483

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:

	2012 $'000	2011 $'000
Deductible temporary differences	96,849	77,759
Tax losses	449,746	421,764
Unutilised capital allowances	3,921	5,686
	550,516	505,209

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries of the Group can utilise the benefits. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The deductible temporary differences do not expire under current tax legislation.

10 Other Non-current/Current Assets

		Note	The Group 2012 $'000	2011 $'000
(a)	Other non-current assets			
	Available-for-sale equity securities:			
	- at cost		13,963	24,620
	- at fair value		270,768	324,723
	Derivative assets		27,722	31,720
	Amounts due from:			
	- an associate and joint ventures (interest free)		36,848	8,481
	- a joint venture (interest bearing)	(i)	135,000	135,000
	Interest receivables	(ii)	61,029	50,500
	Other receivables	(iii)	157,208	169,283
	Prepayments and deposits	(iv)	93,175	51,628
			795,713	795,955

(i) Amount due from the joint venture is unsecured and bears an effective interest rate of 3.25% per annum.

(ii) Interest receivables include (i) $48.4 million (2011: $39.6 million) in respect of a loan to an associate which bears an interest rate of 2.28% (2011: 2.54%) per annum and is due on 31 December 2014; and (ii) $12.6 million (2011: $10.9 million) in respect of a loan to a joint venture which bears an interest rate of 1.06% (2011: 1.45%) per annum and is due after the Temporary Occupation Permit for the development property is obtained, which is expected to be in or after December 2013.

(iii) Other receivables as at 31 December 2012 include:

- $70.4 million (2011: $34.4 million) from a third party which bears an effective interest rate of 13.0% (2011: 13.0%) per annum, is trade in nature, secured and repayable in January 2014 and

- non-current consideration receivable of $63.3 million (2011: $76.9 million) relating to the sale of a joint venture in 2011. The total consideration is receivable in four unequal annual instalments commencing 2012. The consideration receivable within 12 months as at 31 December 2012, amounted to $13.9 million (2011: $14.5 million) and is included in current other receivables.

As at 31 December 2011, other receivables included an amount of $31.9 million due from a third party which bore an effective interest rate of 8.3% per annum, secured and repayable in June 2013. The amount has been fully repaid in 2012.

(iv) The amount as at 31 December 2012 relates to deposits paid for land purchases and facility fees. The amount as at 31 December 2011 relates to progress payments for a property under development and facility fees.

(b) Other current assets

	The Group	
	2012	**2011**
	$'000	**$'000**
Available-for-sale money market investment, at fair value	195,000	195,000
Derivative assets	6,370	–
	201,370	195,000

11 Development Properties for Sale and Stocks

	The Group	
	2012	**2011**
	$'000	**$'000**
(a) Properties under development, sold units for which revenue is recognised using percentage of completion method		
Cost incurred and attributable profits	3,586,513	3,416,824
Allowance for foreseeable losses	(17,190)	(17,190)
	3,569,323	3,399,634
Progress billings	(965,158)	(1,190,853)
	2,604,165	2,208,781
Other properties under development		
Cost incurred	4,787,520	4,466,427
Allowance for foreseeable losses	(79,932)	(30,503)
	4,707,588	4,435,924
	7,311,753	6,644,705
(b) Completed development properties, at cost	198,088	259,948
(c) Consumable stocks	252	471
Total development properties for sale and stocks	7,510,093	6,905,124

(d) The Group adopts the percentage of completion method of revenue recognition for residential projects under progressive payment scheme in Singapore. The stage of completion is measured in accordance with the accounting policy stated in note 2(n). Significant assumptions are required in determining the stage of completion, the total estimated development costs and the estimated total revenue. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists.

The Group makes allowance for foreseeable losses taking into account the Group's recent experience in estimating net realisable values of completed units and properties under development by reference to comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

(e) As at 31 December 2012, development properties for sale amounting to approximately $2,611.2 million (2011: $2,037.7 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

(f) During the financial year, the following amounts were capitalised as cost of development properties for sale:

	Note	The Group 2012 $'000	The Group 2011 $'000
Staff costs	26(b)	66,729	61,404
Interest costs paid/payable	26(d)	105,950	100,725
Less:			
Interest income received/receivable from project fixed deposit accounts	26(a)	(164)	(474)
		172,515	161,655

(g) Movements in allowance for foreseeable losses in respect of development properties for sale were as follows:

	The Group 2012 $'000	The Group 2011 $'000
At 1 January	(47,693)	(47,693)
Allowance during the year	(49,429)	–
At 31 December	(97,122)	(47,693)

(h) As at 31 December 2012, properties amounting to approximately $57.5 million (2011: $77.8 million) were acquired through unconditional contracts with various land vendors. The related amount due to land vendors is secured over the title of the properties being purchased (notes 16 and 20).

12 Trade and Other Receivables

	Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Accrued receivables	(a)	48,199	2,959	–	–
Trade receivables	13	269,311	386,773	5	227
Deposits and other receivables	14	209,459	696,564	428	438
Amounts due from:					
- subsidiaries	17	–	–	2,446,359	2,588,058
- associates	7(b)	605,621	409,127	–	–
- joint ventures	8(b)	115,681	149,901	–	–
- investees:					
- interest free		1,560	1,645	–	–
- interest bearing		23,405	53,914	–	–
- non-controlling interest (unsecured and interest free)		1,065	640	–	–
Loans and receivables	32(e)	1,274,301	1,701,523	2,446,792	2,588,723
Prepayments		210,452	67,851	429	1,579
		1,484,753	1,769,374	2,447,221	2,590,302

(a) Accrued receivables relate to the remaining sales consideration not yet billed on completed development properties for sale.

(b) As at 31 December 2012, certain trade and other receivables amounting to approximately $15.9 million (2011: $77.6 million) were mortgaged to banks to secure credit facilities of the Group (note 18).

13 Trade Receivables

		The Group		The Company	
	Note	2012	2011	2012	2011
		$'000	$'000	$'000	$'000
Trade receivables		287,846	397,450	5	227
Less:					
Allowance for doubtful receivables		(18,535)	(10,677)	–	–
	12	269,311	386,773	5	227

(a) The maximum exposure to credit risk for trade receivables at the reporting date (by strategic business units) was:

	The Group	
	2012	2011
	$'000	$'000
CapitaLand Residential Singapore	45,007	83,176
CapitaLand China Holdings	1,855	3,285
CapitaLand Commercial	1,367	14,493
Ascott	32,606	35,890
CapitaValue Homes	8,185	12,134
CapitaLand Financial	33,436	39,425
CapitaMalls Asia	52,976	131,387
Australand	93,133	63,689
Others	746	3,294
	269,311	386,773

The credit quality of trade and other receivables is assessed based on credit policies established by the Risk Committee. The Group monitors customer credit risk by grouping trade and other receivables based on their characteristics. Trade and other receivables with high credit risk will be identified and monitored by the respective strategic business units.

(b) The ageing of trade receivables at the reporting date was:

	Gross amount 2012 $'000	Allowance for doubtful receivables 2012 $'000	Gross amount 2011 $'000	Allowance for doubtful receivables 2011 $'000
The Group				
Not past due	229,678	–	337,057	–
Past due 1 – 30 days	7,026	(37)	11,985	(130)
Past due 31 – 90 days	4,130	(185)	16,213	(108)
More than 90 days	47,012	(18,313)	32,195	(10,439)
	287,846	(18,535)	397,450	(10,677)

(c) The movements in allowance for doubtful receivables in respect of trade receivables were as follows:

	The Group 2012 $'000	The Group 2011 $'000
At 1 January	(10,677)	(14,515)
Allowance utilised	653	726
(Allowance)/Reversal of allowance during the year	(8,798)	2,856
Translation differences	287	256
At 31 December	(18,535)	(10,677)

Based on historical default rates, the Group believes that no allowance for doubtful debts is necessary in respect of the receivables not past due.

14 Deposits and Other Receivables

	Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Deposits		70,564	586,728	326	306
Other receivables		155,457	127,111	102	132
Less:					
Allowance for doubtful receivables		(19,121)	(19,771)	–	–
		136,336	107,340	102	132
Tax recoverable		2,559	2,496	–	–
	12	209,459	696,564	428	438

Other receivables include staff loans, interest receivables, deferred sales consideration and other recoverables.

The movements in allowance for doubtful receivables in respect of other receivables were as follows:

	The Group	
	2012	**2011**
	$'000	**$'000**
At 1 January	(19,771)	(17,823)
Allowance utilised	381	22
Allowance during the year	(305)	(2,484)
Disposal of a subsidiary	–	82
Translation differences	574	432
At 31 December	(19,121)	(19,771)

Other than disclosed above, the Group believes that no additional allowance for doubtful debts is required in respect of the other receivables.

15 Cash and Cash Equivalents

		The Group		The Company	
	Note	**2012**	**2011**	**2012**	**2011**
		$'000	**$'000**	**$'000**	**$'000**
Fixed deposits		3,428,890	3,458,118	438,826	319,194
Cash at banks and in hand		2,068,803	2,806,355	3,824	7,345
Cash and cash equivalents		5,497,693	6,264,473	442,650	326,539
Restricted bank deposits	(a)	(4,110)	(9,506)		
Cash and cash equivalents in the statement of cash flows		5,493,583	6,254,967		

(a) These are bank balances of certain subsidiaries pledged in relation to bankers' guarantees issued to the subsidiaries' contractors.

(b) As at 31 December 2012, the Group's cash and cash equivalents of $100.7 million (2011: $102.6 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, Japanese Yen and Malaysian Ringgit. As at 31 December 2012, the effective interest rates for cash and cash equivalents ranged from 0% to 14.0% (2011: 0% to 14.0%) per annum.

The cash and cash equivalents are placed with banks and financial institutions which meet the appropriate credit criteria and are of high credit standing.

16 Trade and Other Payables

	Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Trade payables		112,670	115,382	1,126	84
Accruals	(a)	484,918	587,685	43,601	44,106
Accrued development expenditure		277,694	278,770	–	–
Accrued capital expenditure	(b)	42,703	42,563	–	–
Other payables	(c)	325,164	317,426	969	975
Rental and other deposits		38,106	33,291	3	3
Derivative liabilities		49,255	58,175	–	–
Provisions	20(a)	24,736	18,596	–	–
Liability for employee benefits	21	50,762	38,644	25,550	20,221
Amounts due to:					
- subsidiaries	17	–	–	5,445	5,445
- associates	7(b)	335,442	269,905	–	–
- joint ventures	8(b)	58,796	31,139	–	–
Non-controlling interests (unsecured):					
- interest free		88,217	55,142	–	–
- interest bearing		773	105,000	–	–
Progress billings		470,362	318,770	–	–
		2,359,598	2,270,488	76,694	70,834

(a) Accruals included accrued interest payable, accrued expenditure for property, plant and equipment purchases and accrued administrative expenses.

(b) Accrued capital expenditure relates to amounts due from a subsidiary of the Group to land vendors under certain unconditional contracts entered into to purchase properties for future developments. The total acquisition cost of the properties has been included in development properties for sale and the amount payable is secured over the relevant development properties.

(c) Other payables included retention sums and amounts payable in connection with capital expenditure incurred.

17 Amounts Due from/(to) Subsidiaries

	Note	The Company 2012 $'000	The Company 2011 $'000
Current			
Amounts due from subsidiaries:			
- current accounts, mainly non-trade and interest bearing		23,895	24,977
- current loan			
- interest free		361,733	367,573
- interest bearing		2,090,106	2,226,133
		2,451,839	2,593,706
Less: Allowance for doubtful receivables		(29,375)	(30,625)
		2,422,464	2,563,081
	12	2,446,359	2,588,058
Amounts due to subsidiaries:			
- current loan and interest free		(5,445)	(5,445)
	16	(5,445)	(5,445)

(a) Movements in allowance for doubtful receivables were as follows:

	The Company 2012 $'000	The Company 2011 $'000
At 1 January	(30,625)	(55,949)
Allowance during the year	–	(2,575)
Reversal of allowance during the year	1,250	3,109
Allowance utilised upon disposal	–	24,790
At 31 December	(29,375)	(30,625)

(b) All balances with subsidiaries are unsecured, repayable on demand and bear effective interest rates ranging from 0.02% to 1.00% (2011: 0.03% to 1.00%) per annum.

18 Bank Borrowings

	The Group	
	2012	**2011**
	$'000	**$'000**
Bank borrowings		
- secured	2,742,639	2,341,774
- unsecured	4,640,291	4,190,027
	7,382,930	6,531,801
Finance lease (secured)	10	–
	7,382,940	6,531,801
Repayable:		
Not later than 1 year	765,826	426,011
Between 1 and 2 years	1,282,785	1,145,806
Between 2 and 5 years	4,970,952	4,863,061
After 5 years	363,377	96,923
After 1 year	6,617,114	6,105,790
	7,382,940	6,531,801

(a) The Group's borrowings are denominated mainly in Singapore Dollars, Australian Dollars, Japanese Yen and Chinese Renminbi. As at 31 December 2012, the effective interest rates for bank borrowings ranged from 0.66% to 17.00% (2011: 0.73% to 12.00%) per annum.

(b) Bank borrowings are secured by the following assets, details of which are disclosed in the respective notes to the financial statements:

(i) mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties for sale and shares of certain subsidiaries of the Group; and

(ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

19 Debt Securities

Debt securities comprise fixed rate notes, floating rate notes and bonds issued by the Company and subsidiaries in the Group.

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Convertible bonds	3,523,659	3,448,046	3,512,287	3,432,956
Notes and bonds	3,273,179	2,210,792	–	–
	6,796,838	5,658,838	3,512,287	3,432,956
Secured notes and bonds	121,195	140,409	–	–
Unsecured notes and bonds	6,675,643	5,518,429	3,512,287	3,432,956
	6,796,838	5,658,838	3,512,287	3,432,956

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Repayable:				
Not later than 1 year	16,346	434,228	–	–
Between 1 and 2 years	334,580	–	–	–
Between 2 and 5 years	2,126,648	1,989,426	1,487,025	1,443,181
After 5 years	4,319,264	3,235,184	2,025,262	1,989,775
After 1 year	6,780,492	5,224,610	3,512,287	3,432,956
	6,796,838	5,658,838	3,512,287	3,432,956

(a) The repayment schedule for convertible bonds was based on the final maturity dates.

(b) As at 31 December 2012, the effective interest rates for debt securities ranged from 0.66% to 8.78% (2011: 1.00% to 5.81%) per annum.

(c) Details of the outstanding convertible bonds as at 31 December 2012 are as follows:

(i) $424.7 million principal amount of convertible bonds due on 15 November 2016 with interest rate at 2.10% per annum. 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 or at the option of the bond holders on specified dates.

(ii) $1.0 billion principal amount of convertible bonds due on 20 June 2022 with interest rate at 2.95% per annum. These bonds are convertible into new ordinary shares at the conversion price of $11.5218 per share on or after 20 June 2008 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.

(ii) $1.05 billion principal amount of convertible bonds due on 5 March 2018 with interest rate at 3.125% per annum. 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.

(iii) $1.2 billion principal amount of convertible bonds due on 3 September 2016 with interest rate at 2.875% per annum. These bonds are convertible into new ordinary shares at the conversion price of $4.6908 per share on or after 14 October 2009 and may be redeemed at the option of the Company or at the option of the bond holders on specified dates.

(d) Secured debt securities

As at 31 December 2012, the secured notes and bonds were fully secured by mortgages on the investment properties of the Group amounting to $363.6 million (2011: $372.8 million). Details on assets pledged are disclosed in the respective notes to the financial statements.

(e) Unsecured debt securities

The holders of certain debt securities have the option to have all or any of their notes purchased by the Group at their principal amounts on interest payment dates. Unless previously redeemed or purchased and cancelled, the debt securities are redeemable at the principal amounts on their respective maturity dates.

20 Other Non-Current Liabilities

		The Group		The Company	
	Note	**2012**	**2011**	**2012**	**2011**
		$'000	**$'000**	**$'000**	**$'000**
Amounts due to non-controlling interests (unsecured):					
- interest free		75,219	61,549	–	–
- interest bearing		248,974	142,269	–	–
Amounts due to an associate (unsecured and interest bearing)		112,373	129,349	–	–
Liability for employee benefits	21	30,286	36,066	17,628	27,815
Derivative liabilities		137,832	77,347	–	–
Provisions	(a)	–	39,615	–	–
Customer deposits and other non-current payables	(b)	107,984	63,535	–	–
Deferred income		303	400	–	–
		712,971	550,130	17,628	27,815

(a) The provisions relate to the Group's exposure to unavoidable costs of meeting its obligation under contractual agreements. Movements in the provisions were as follows:

		The Group	
	Note	**2012**	**2011**
		$'000	**$'000**
At 1 January		58,211	182,499
Reversal of provision during the year	26(a)	(16,000)	(2,700)
Provision utilised		(13,603)	(2,950)
Set off against available-for-sale equity security	(i)	(3,872)	(124,165)
Translation differences		–	5,527
At 31 December		24,736	58,211
Current	16	24,736	18,596
Non-current		–	39,615
		24,736	58,211

(i) During the year, provision amounting to $3.9 million (2011: $124.2 million) was set off against the carrying amount of an unquoted available-for-sale equity investment (note 10(a)).

(b) The other non-current payables include an amount of approximately $14.8 million (2011: $35.2 million), due to land vendors on terms similar to those described in note 16(b).

21 Employee Benefits

		The Group		The Company	
	Note	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Liability for short term accumulating compensated absences		14,476	13,542	1,338	910
Liability for long service leave entitlement		7,585	6,334	–	–
Liability for staff incentive		53,612	49,011	41,363	46,614
Liability for cash-settled share-based payments		5,375	5,823	477	512
		81,048	74,710	43,178	48,036
Current	16	50,762	38,644	25,550	20,221
Non-current	20	30,286	36,066	17,628	27,815
		81,048	74,710	43,178	48,036

(a) Long service leave entitlement

This liability relates principally to provision made by a foreign subsidiary in relation to employees' leave entitlement granted after certain qualifying periods based on duration of employees' services rendered.

(b) Staff incentive

This relates to staff incentive which is based on the achievement of the Group's financial performance and payable over a period of time.

(c) Equity compensation benefits

Share Plans of the Company

A new CapitaLand Performance Share Plan 2010 and CapitaLand Restricted Share Plan 2010 were approved by the members of the Company at the Extraordinary General Meeting held on 16 April 2010. These plans replaced the CapitaLand Performance Share Plan 2000 and CapitaLand Restricted Stock Plan 2000 which were terminated. The Company did not extend the duration of, or replace, the existing CapitaLand Share Option Plan. All awards granted under the previous share plans prior to its termination will continue to be valid and be subject to the terms and conditions of the plans. The first grant of award under the new share plans was made in March 2011. The duration of each share plan is 10 years commencing on 16 April 2010.

The 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 2012 No. of option/ shares**
CapitaLand Share Option Plan	159,442,307	(115,614,712)	(35,721,020)	8,106,575
CapitaLand Performance Share Plan 2000	34,594,651	(17,393,355)	(14,423,280)	2,778,016
CapitaLand Restricted Stock Plan 2000	33,689,553	(25,283,686)	(6,555,745)	1,850,122
Total	227,726,511	(158,291,753)	(56,700,045)	12,734,713
CapitaLand Performance Share Plan 2010	6,812,300	–	(391,374)	6,420,926
CapitaLand Restricted Share Plan 2010	14,160,540	(1,783,947)	(1,913,095)	10,463,498
Total	20,972,840	(1,783,947)	(2,304,469)	16,884,424

During the year, the aggregate number of new shares issued and/or to be issued pursuant to the 2010 Share Plans did not exceed 8% of the total number of shares (excluding treasury shares) in the capital of the Company.

CapitaLand Share Option Plan

The Company ceased to grant options under the CapitaLand Share Option Plan with effect from 2007. Statutory information regarding the CapitaLand Share Option Plan is set out below:

(i) The exercise price of the options is set either at:

- A price equal to the volume-weighted average price on the SGX-ST over the three consecutive trading days immediately preceding the grant of the option ("Market Price"), or such higher price as may be determined by the ERCC in its absolute discretion; or
- A discount not exceeding 20% of the Market Price in respect of that option.

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

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

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

	Weighted average exercise price 2012 $	No. of options 2012 ('000)	Weighted average exercise price 2011 $	No. of options 2011 ('000)
At 1 January	2.72	9,000	2.71	10,400
Exercised	1.20	(837)	2.50	(1,120)
Lapsed/Cancelled	3.08	(56)	3.02	(280)
At 31 December	2.87	8,107	2.72	9,000
Exercisable on 31 December	2.87	8,107	2.72	9,000

Options exercised in 2012 resulted in 836,913 (2011: 1,120,367) shares being issued at a weighted average market price of $3.18 (2011: $3.34) each. Options were exercised on a regular basis throughout the year. The weighted average share price during the year was $2.95 (2011: $2.94).

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 2012 ('000)	Weighted average contractual life (years)	Options outstanding 2011 ('000)	Weighted average contractual life (years)
$0.30 to $0.44	72	0.22	227	1.18
$0.45 to $0.50	368	1.16	615	2.00
$0.51 to $1.43	15	1.65	39	2.66
$1.44 to $2.16	1,310	2.18	1,632	3.18
$2.17 to $4.10	6,342	3.21	6,487	4.21
	8,107		9,000	

CapitaLand Performance Share Plan

This relates to compensation costs of the Company's Performance Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CapitaLand Performance Share were summarised below:

	2012 ('000)	2011 ('000)
At 1 January	9,269	9,219
Granted	3,488	3,324
Lapsed/Cancelled	(3,558)	(3,274)
At 31 December	9,199	9,269

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

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	**2012**	**2011**
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$3.79	$2.52
Expected volatility based on 36 months closing share price prior to grant date	32.40%	34.61%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	27.72%	28.76%
Share price at grant date	$3.11	$3.33
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%	0.44%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.24%	1.67%
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	78.30%	71.47%

CapitaLand Restricted Stock/Share Plan – Equity-settled/Cash-settled

This relates to compensation costs of the Company's Restricted Stock/Share Plan reflecting the benefits accruing to the employees over the service period to which the performance criteria relate. The Company granted awards of shares under the CapitaLand Restricted Stock/Share Plan in place of options with effect from 2007.

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

Movements in the number of shares outstanding under the CapitaLand Restricted Stock/Share Plan were summarised below:

	2012 (‘000)	**2011 (‘000)**
At 1 January	13,063	13,491
Granted	7,635	7,422
Released[@]	(6,659)	(6,749)
Lapsed/Cancelled	(1,725)	(1,101)
At 31 December	12,314	13,063

[@] *The number of shares released during the year was 6,658,736 (2011: 6,748,830), of which 846,520 (2011: 922,162) were cash-settled.*

As at 31 December 2012, the number of shares comprised in awards granted under the CapitaLand Restricted Stock/Share Plan is as follows:

	2012			**2011**		
	Equity-settled (‘000)	**Cash-settled (‘000)**	**Total (‘000)**	**Equity-settled (‘000)**	**Cash-settled (‘000)**	**Total (‘000)**
Final number of shares has not been determined (baseline award) [#]	6,820	259	7,079	5,506	744	6,250
Final number of shares determined but not released	4,648	587	5,235	5,939	874	6,813
	11,468	846	12,314	11,445	1,618	13,063

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

The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

The awards granted to non-executive directors prior to 2010 have a vesting period of two years. In 2010, the awards granted are time-based with no performance conditions and will be released over a vesting period of two years. With effect from 2011, the awards to non-executive directors form part of the directors' fees and will be an outright grant with no performance and vesting conditions.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

The fair values of the shares granted to employees are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	**2012**	**2011**
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	$3.00	$3.05
Expected volatility based on 36 months closing share price prior to grant date	32.40%	34.61%
Share price at grant date	$3.11	$3.14
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	0.15% to 0.30%	0.32% to 0.45%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.24%	1.66%

The fair value of the shares awarded to non-executive directors in 2012 was $2.68 which represents the volume-weighted average price of a CapitaLand share on the SGX-ST over the 14 trading days immediately 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 employee at the end of each financial year based on the Group's financial performance and achievement of performance targets, as well as individual performance.

Share Plans of Subsidiaries

(a) CapitaMalls Asia Limited ("CMA")

The CMA Performance Share Plan and the CMA Restricted Stock Plan (collectively referred to as the "CMA Share Plans") were approved and adopted by the shareholders of CMA at an Extraordinary General Meeting held on 30 October 2009.

CMA Performance Share Plan

This relates to compensation costs of the CMA's Performance Share Plan reflecting the benefits accruing to the employees of CMA over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CMA Performance Share Plan were summarised below:

	2012 ('000)	**2011 ('000)**
At 1 January	2,158	872
Granted	1,769	1,326
Lapsed/Cancelled	(280)	(40)
At 31 December	3,647	2,158

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

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	**2012**	**2011**
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	\$2.06	\$1.19
Expected volatility based on average of peers' 36 months closing share price prior to grant date	32.42%	25.70%
MSCI Asia Pacific ex-Japan Real Estate Index annualised volatility based on 36 months prior to grant date	27.70%	26.92%
Share price at grant date	\$1.65	\$1.77
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%	0.44%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.27%	1.15%
Correlation of return between MSCI Asia Pacific ex-Japan Real Estate Index and CMA's share price measured over 36 months prior to the grant date	69.97%	69.36%

CMA Restricted Stock Plan – Equity-settled/Cash-settled

This relates to compensation costs of the CMA's Restricted Stock Plan reflecting the benefits accruing to the employees of CMA over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under the CMA Restricted Stock Plan were summarised below:

	2012 ('000)	2011 ('000)
At 1 January	7,987	4,117
Granted	7,384	6,036
Released[@]	(3,419)	(1,520)
Lapsed/Cancelled	(1,018)	(646)
At 31 December	10,934	7,987

[@] *The number of shares released during the year was 3,418,735 (2011: 1,520,317), of which 995,898 (2011: 438,490) were cash-settled.*

As at 31 December 2012, the number of shares comprised in awards granted under the CMA Restricted Stock Plan is as follows:

	2012			2011		
	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) [#]	4,932	993	5,925	3,672	1,536	5,208
Final number of shares determined but not released	3,527	1,482	5,009	1,988	791	2,779
	8,459	2,475	10,934	5,660	2,327	7,987

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

The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The shares have a vesting schedule of two to three years. Recipient can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost. The 2010 award to non-executive directors was time-based with no performance conditions and will be released over a vesting period of two years. With effect from 2011, no share awards were granted under the CMA Restricted Stock Plan to the non-executive directors.

Cash-settled awards of shares are measured at their current fair values at each balance sheet date.

The fair values of the shares are determined using Monte Carlo simulation method at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

Year of Award	**2012**	**2011**
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	\$1.58 to \$1.92	\$1.69
Expected volatility based on average of peers' 36 months closing share price prior to grant date	32.42%	25.70%
Share price at grant date	\$1.65	\$1.72
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	0.15% to 0.30%	0.32% to 0.45%
Expected dividend yield over 12 months volume-weighted average share price prior to the grant date	2.27%	1.14%

(b) Australand

Australand Performance Rights Plan

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

Movements in the number of shares outstanding under the Australand Performance Rights Plan as at the end of the year were summarised below:

	2012 ('000)	**2011 ('000)**
At 1 January	4,994	3,913
Granted	2,061	1,840
Exercised	(258)	–
Lapsed/Forfeited	(473)	(759)
At 31 December	6,324	4,994

The fair value at grant date is independently determined using the Monte Carlo simulation technique. This technique involves stock prices being randomly simulated under risk neutral conditions and parameters in order to calculate the value of the performance rights at expiry. The simulation is repeated numerous times to produce distribution payoff amounts. The performance rights value is taken as the average of the payoff amounts calculated and discounted back to the valuation date. The fair value and assumptions are set out below:

Year of Award	**2012**	**2011**
Fair value of performance rights and assumptions		
Weighted average value at measurement date	A$1.78	A$2.48
Share price at grant date	A$2.49	A$2.87
Expected price volatility of Australand's stapled securities	32.0%	35.0%
Expected dividend yield	8.0%	8.0%
Risk-free discount rate	2.5%	4.7%
Expected franking rate	0%	0%
Australand and index correlation	50.0%	50.0%

Australand Tax-Exempt Employee Security Plan

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

The plan provides up to A$1,000 of Australand stapled securities (tax-free) to eligible employees annually for no cash consideration.

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

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

No securities were issued under the Australand Tax-Exempt Employee Security Plan during the year. In 2011, 108,016 securities were issued at the weighted average market price of A$2.90 per security.

22 Share Capital

Issued and fully paid, with no par value	**The Company** 2012 No. of shares ('000)	2011 No. of shares ('000)
At 1 January	4,269,439	4,262,492
Issue of shares pursuant to the:		
- Exercise of options	837	1,120
- Restricted Stock Plans	63	5,827
- Payment of directors' fees	152	–
At 31 December, including treasury shares	4,270,491	4,269,439
Less: Treasury shares	(19,612)	(25,209)
At 31 December, excluding treasury shares	4,250,879	4,244,230

(a) The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regards to the Company's residual assets.

(b) At 31 December 2012, there were 8,106,575 (2011: 9,000,244) options under the CapitaLand Share Option Plan, a maximum of 17,548,384 (2011: 18,538,108) shares under the CapitaLand Performance Share Plan and 14,878,434 (2011: 14,197,716) shares under the CapitaLand Restricted Stock/Share Plan, details of which are disclosed in note 21(c).

(c) As at 31 December 2012, the convertible bonds issued by the Company which remained outstanding were as follows:

Principal Amount $ million	**Final Maturity Date Year**	**Conversion Price $**	**Convertible Into**
424.75	2016	6.01	70,673,876 new ordinary shares
1,000.00	2022	11.5218	86,791,994 new ordinary shares
1,050.00	2018	7.1468	146,918,900 new ordinary shares
1,200.00	2016	4.6908	255,819,903 new ordinary shares

There has been no redemption or conversion by the bondholders of any of the above convertible bonds in 2012 and 2011.

(d) Movements in the Company's treasury shares were as follows:

	The Company 2012 No. of shares ('000)	2011 No. of shares ('000)
At 1 January	25,209	–
Purchase of treasury shares	–	25,209
Treasury shares transferred pursuant to employee share plans	(5,597)	–
At 31 December	19,612	25,209

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	
	2012	**2011**
	$'000	**$'000**
Bank borrowings and debt securities	14,179,778	12,190,639
Cash and cash equivalents	(5,497,693)	(6,264,473)
Net debt	8,682,085	5,926,166
Total equity	19,443,784	19,239,471
Net debt equity ratio	0.45	0.31

The Group seeks to strike a balance between the higher returns that might be possible with higher level of borrowings and the liquidity and security afforded by a sound capital position.

In addition, the Company has a share purchase mandate as approved by its shareholders which allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased are held as treasury shares which the Company may transfer for the purposes of or pursuant to its employee share-based incentive schemes so as to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders.

Five of the Group's subsidiaries (2011: Six) are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Markets Services licenses registered with the Monetary Authority of Singapore or the Securities Commission Malaysia to conduct the regulated activity of Real Estate Investment Trust management. These subsidiaries have complied with the applicable capital requirements throughout the year.

There were no changes in the Group's approach to capital management during the year.

23 Other Reserves

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Reserve for own shares	(49,366)	(63,456)	(49,366)	(63,456)
Capital reserve	463,217	445,666	383,490	383,490
Equity compensation reserve	114,948	109,815	46,701	39,980
Hedging reserve	(91,171)	(45,531)	–	–
Available-for-sale reserve	5,469	5,723	–	–
Foreign currency translation reserve	(573,145)	(177,150)	–	–
	(130,048)	275,067	380,825	360,014

Reserve for own shares comprises the purchase consideration for issued shares of the Company acquired and held in treasury.

The capital reserve comprises mainly the value of the options granted to bondholders to convert their convertible bonds into ordinary shares of the Company and share of associates' and joint ventures' capital reserve.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the options and shares under the share plans of the Company and its subsidiaries (note 21(c)).

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet affected profit or loss.

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale investment until the investment is derecognised.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities, as well as from the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities.

24 Other Comprehensive Income

The Group	2012 Before tax $'000	2012 Tax expense $'000	2012 Net of tax $'000	2011 Before tax $'000	2011 Tax expense $'000	2011 Net of tax $'000
Exchange differences arising from translation of foreign operations and foreign currency loans, forming part of net investment in foreign operations	(470,356)	–	(470,356)	138,012	–	138,012
Recognition of exchange differences to profit or loss	26,990	–	26,990	7,877	–	7,877
Change in fair value of available-for-sale investments	1,248	–	1,248	(2,987)	–	(2,987)
Recognition of fair value gain in available-for-sale reserve to profit or loss	(1,502)	–	(1,502)	(42,343)	1,482	(40,861)
Effective portion of change in fair value of cash flow hedges	(63,600)	–	(63,600)	(75,048)	–	(75,048)
Share of other comprehensive income of associates and joint ventures	(84,312)	–	(84,312)	87,637	–	87,637
Recognition of share of other comprehensive income of associates and joint ventures to profit or loss	–	–	–	14,175	–	14,175
	(591,532)	–	(591,532)	127,323	1,482	128,805

25 Revenue

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

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Trading of properties	2,026,282	1,860,909	–	–
Rental and related income	455,791	397,273	–	–
Fee income	517,193	454,669	71,471	66,107
Serviced residence rental and related income	282,013	293,236	–	–
Dividend income from subsidiaries	–	–	373,356	433,435
Others	20,084	13,482	–	–
	3,301,363	3,019,569	444,827	499,542

26 Profit Before Taxation

Profit before taxation includes the following:

	Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
(a) Other operating income					
Interest income from:					
- fixed deposits		38,860	35,491	776	127
- subsidiaries		–	–	40,366	88,773
- associates and joint ventures		44,211	31,389	–	–
- investee companies and others		10,857	14,551	–	–
- interest capitalised in development properties for sale	11(f)	(164)	(474)	–	–
		93,764	80,957	41,142	88,900
Dividend income		606	1,428	–	–
Net fair value gains from investment properties	5	155,092	285,032	–	–
Gain on disposal/redemption of available-for-sale financial assets		1,514	21,390	–	–
Gain from change of ownership interest in subsidiaries, associates and joint ventures		174,482	218,258	–	57,963
Foreign exchange gain		–	–	–	7
Gain on disposal of investment properties		–	19,411	–	–
Gain on disposal of property, plant and equipment		41,836	969	23	72
Gain from bargain purchase arising from acquisition of subsidiaries	30(b)	4,488	26	–	–
Reversal of provision for foreseeable losses	20(a)	16,000	2,700	–	–
Reversal of impairment of intangibles	4	73	–	–	–
Reversal of impairment of subsidiaries	6(a)(iii)	–	–	2,601	–
Receipt of settlement of insurance claim		14,035	–	–	–
Others		85,059	83,533	18,341	13,683
		586,949	713,704	62,107	160,625

	Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
(b) Staff costs					
Wages and salaries		484,763	437,041	40,947	39,433
Contributions to defined contribution plans		49,991	46,262	2,564	2,398
Share-based expenses					
- equity-settled		41,844	31,766	9,485	6,932
- cash-settled		4,808	2,577	427	166
Increase in liability for short term accumulating compensated absences		1,168	1,350	427	188
Staff benefits, training/ development costs and others		77,957	73,253	4,453	3,835
		660,531	592,249	58,303	52,952
Less:					
Staff costs capitalised in development properties for sale	11(f)	(66,729)	(61,404)	–	–
		593,802	530,845	58,303	52,952
Recognised in:					
Cost of sales	(c)(i)	250,320	233,479	–	–
Administrative expenses	(c)(ii)	343,482	297,366	58,303	52,952
		593,802	530,845	58,303	52,952
(c) (i) Cost of sales include:					
Staff costs	(b)	250,320	233,479	–	–
Provision for foreseeable losses/ Write down on development properties for sale		49,429	39,155	–	–
Operating lease expenses		81,470	88,191	–	–
Operating expenses arising from investment properties that generated rental income		110,125	94,962	–	–
Depreciation of property, plant and equipment	3	28	19	–	–
Amortisation of intangible assets		–	242	–	–

		Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
(c)(ii)	**Administrative expenses include:**					
	Staff costs	(b)	343,482	297,366	58,303	52,952
	Allowance/(Reversal of allowance) for doubtful receivables		12,699	(3,021)	–	–
	Amortisation of intangible assets		1,329	1,359	–	–
	Auditors' remuneration:					
	- auditors of the Company		2,515	1,961	167	208
	- other auditors		3,872	4,043	–	–
	Non-audit fees:					
	- auditors of the Company		197	1,097	10	2
	- other auditors		385	282	–	–
	Depreciation of property, plant and equipment	3	45,083	38,989	5,617	3,598
	Operating lease expenses		34,906	36,672	4,663	4,732
(c)(iii)	**Other operating expenses include:**					
	Allowance for doubtful receivables		10,235	3,427	33,147	130,248
	Impairment of available-for-sale financial assets		6,242	1,329	–	–
	Foreign exchange loss		8,654	33,240	63	–
	Impairment and write off of property, plant and equipment		8,768	729	80	5
	Impairment of:					
	- subsidiaries		–	–	17,195	16,931
	- associate	7(a)(i)	4,612	3,437	–	–
	- joint ventures	8(a)(i)	422	–	–	–

(d) Finance costs

	Note	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Interest costs paid and payable:					
- on bank loans and overdrafts		281,732	240,385	–	–
- on debt securities		113,195	82,803	–	–
- to non-controlling interests		6,211	5,423	–	–
Convertible bonds:					
- interest expense		105,991	105,673	105,991	105,673
- amortisation of bond discount		63,584	63,584	63,584	63,584
- accretion of bond premium		10,517	10,479	10,517	10,479
Derivative financial instruments		21,555	29,957	–	–
Others		55,663	61,769	5,238	1,311
Total borrowing costs		658,448	600,073	185,330	181,047
Less:					
Borrowing costs capitalised in:					
- property, plant and equipment	3(d)	(965)	(3,093)	–	–
- investment properties	5(d)	(52,580)	(23,470)	–	–
- development properties for sale	11(f)	(105,950)	(100,725)	–	–
		(159,495)	(127,288)	–	–
		498,953	472,785	185,330	181,047

27 Taxation

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Current tax expense				
- Based on current year's results	203,283	167,520	–	–
- Over provision in respect of prior years	(37,415)	(19,252)	–	–
- Group relief	(14,686)	(4,703)	(1,908)	(778)
	151,182	143,565	(1,908)	(778)
Deferred tax expense				
- Origination and reversal of temporary differences	47,922	47,652	(10,514)	(10,558)
- Under/(Over) provision in respect of prior years	2,803	(333)	–	–
	50,725	47,319	(10,514)	(10,558)
Total	201,907	190,884	(12,422)	(11,336)

Reconciliation of effective tax rate

	The Group 2012 $'000	The Group 2011 $'000
Profit before taxation	1,518,478	1,613,804
Less: Share of results of associates and joint ventures	(834,781)	(876,646)
Profit before share of results of associates, joint ventures and taxation	683,697	737,158
Income tax using Singapore tax rate of 17% (2011: 17%)	116,228	125,317
Adjustments:		
Expenses not deductible for tax purposes	145,534	110,295
Income not subject to tax	(121,045)	(133,473)
Effect of unrecognised tax losses and other deductible temporary differences	15,908	7,531
Effect of different tax rates in foreign jurisdictions	55,167	57,520
Effect of taxable distributions from associates	30,008	34,881
Over provision in respect of prior years	(34,612)	(19,585)
Group relief	(14,686)	(4,703)
Withholding taxes	13,846	11,083
Others	(4,441)	2,018
	201,907	190,884

	The Company	
	2012	**2011**
	$'000	**$'000**
Profit before taxation	156,347	239,885
Income tax using Singapore tax rate of 17% (2011: 17%)	26,579	40,780
Adjustments:		
Expenses not deductible for tax purposes	27,462	33,051
Income not subject to tax	(61,861)	(83,550)
Effect of other deductible temporary differences	(1,633)	(1,373)
Group relief	(1,908)	(778)
Others	(1,061)	534
	(12,422)	(11,336)

28 Earnings Per Share

(a) Basic earnings per share

	The Group	
	2012	**2011**
	$'000	**$'000**
Basic earnings per share is based on:		
Net profit attributable to owners of the Company	930,347	1,057,311

	2012	**2011**
	Number of shares ('000)	
Weighted average number of ordinary shares in issue during the year	4,249,408	4,261,359

(b) Diluted earnings per share

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

	The Group	
	2012	**2011**
	$'000	**$'000**
Net profit attributable to owners of the Company	930,347	1,057,311
Profit impact of conversion of the potential dilutive shares	–	78,097
Adjusted net profit attributable to owners of the Company	930,347	1,135,408

	2012	2011
	Number of shares ('000)	
Weighted average number of ordinary shares used in the calculation of basic earnings per share	4,249,408	4,261,359
Adjustments for potential dilutive shares under:		
- CapitaLand Share Option Plan	916	1,408
- CapitaLand Performance Share Plan	17,548	18,538
- CapitaLand Restricted Stock/Share Plan	14,879	14,198
- convertible bonds	–	324,596
	33,343	358,740
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	4,282,751	4,620,099

29 Dividends

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 7.0 cents per share in respect of the financial year ended 31 December 2012. This would amount to a payout of approximately $297.6 million based on the number of issued shares (excluding 19,611,437 treasury shares) as at 31 December 2012. 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 2011, a tax-exempt ordinary dividend of 6.0 cents per share and a tax-exempt special dividend of 2.0 cents per share were approved at the Annual General Meeting held on 30 April 2012. The said dividends of $340.0 million were paid in May 2012.

30 Notes to the Consolidated Statement of Cash Flows

(a) Acquisition of subsidiaries

The list of significant subsidiaries acquired during the year is as follows:

Name of Subsidiary	Date Acquired	Effective Interest Acquired
CapitaRetail LPM Investments Pte Ltd#	February 2012	48%
CapitaRetail IH Investments Pte Ltd#	February 2012	48%
CapitaRetail CK Investments Pte Ltd#	February 2012	48%
Caike Property (Shanghai) Co., Ltd^	March 2012	50%
ACRJ3 Pte Ltd	May 2012	70%
The Cavendish Hotel (London) Limited	October 2012	100%

These were previously associates of the Group.
^ This was previously a joint venture of the Group.

The list of significant subsidiaries acquired in 2011 is as follows:

Name of Subsidiary	Date Acquired	Effective Interest Acquired
Abbey Road Limited	February 2011	45%
SNC Costes K	June 2011	100%

(b) Effects of acquisitions

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

	Note	Recognised Values 2012 $'000	2011 $'000
The Group			
Property, plant and equipment	3	318,372	218,835
Investment properties	5	544,416	428,255
Other non-current assets		–	835
Development properties for sale		–	10,682
Cash and cash equivalents		70,952	84,381
Other current assets		5,900	10,792
Current liabilities		(265,065)	(23,615)
Long-term bank borrowings		(72,201)	–
Shareholder's loan		(43,766)	(33,666)
Deferred tax liabilities		(33,485)	–
Other non-current liabilities		(24,442)	(789)
Non-controlling interests		(1,711)	(146,805)
		498,970	548,905
Amounts previously accounted for as associates, joint ventures and other financial assets, at fair value		(59,903)	(33,582)
Net assets acquired		439,067	515,323
Goodwill arising from acquisition	4	16,919	–
Gain from bargain purchase	26(a)	(4,488)	(26)
Assumption of shareholder's loan		43,766	33,666
Total purchase consideration		495,264	548,963
Less:			
Deferred payment and other adjustments		2,070	(16,623)
Deposits paid in prior year		–	(28,941)
Cash of subsidiaries acquired		(70,952)	(84,381)
Cash outflow on acquisition of subsidiaries		426,382	419,018

(c) Disposal of subsidiaries

The list of significant subsidiaries disposed during the year is as follows:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
Franco Investment Limited	March 2012	100%
Growing State Holdings Limited#	June 2012	65%
CapitaRetail China Developments D18 (HK) Limited#	June 2012	65%
Hong Kong Yong Zheng Group Company Limited^	September 2012	100%
Citadines Ashley TST (Hong Kong) Limited	October 2012	100%

These subsidiaries were sold to CapitaMalls China Development Fund III in which the Group has an effective interest of 32.7% as at 31 December 2012.

^ *This subsidiary was sold to Ascott Residence Trust in which the Group has an effective interest of 49.4% as at 31 December 2012.*

The disposed subsidiaries previously contributed net profit of $5.8 million from 1 January 2012 to the dates of disposal.

The list of significant subsidiaries disposed in 2011 is as follows:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
BR Properties Pte Ltd	May 2011	100%
Hemliner Pte Ltd*	July 2011	100%
Shanghai CapitaLand Xin Chuang Real Estate Development Co., Ltd.	December 2011	100%

* *This subsidiary was sold to Ascott Serviced Residence (China) Fund in which the Group has an effective interest of 36.1% as at 31 December 2011.*

The disposed subsidiaries previously contributed net profit of $6.5 million from 1 January 2011 to the dates of disposal.

(d) Effects of disposals

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

	Note	The Group 2012 $'000	The Group 2011 $'000
Property, plant and equipment		137,728	232,446
Investment properties	5	249,579	239,052
Other non-current assets		88,537	–
Development properties for sale		23,387	71,683
Other current assets		44,156	56,157
Current liabilities		(186,602)	(151,009)
Long-term bank borrowings		(46,987)	(109,591)
Deferred tax liabilities		(25,340)	(11,568)
Non-controlling interests		–	(2,800)
Net assets		284,458	324,370
Less:			
Equity interests retained as associates		(191,518)	–
Net assets disposed		92,940	324,370
Realisation of reserves		6,842	4,864
Deferred income		7,451	20,410
Gain on disposal of subsidiaries		151,301	195,433
Sale consideration		258,534	545,077
Repayment of bank and shareholders' loan		147,491	234,748
Deposit received in prior year in relation to current year's disposal of a subsidiary		(48,976)	–
Deferred sale consideration received in relation to prior year's disposal of subsidiaries		–	417,476
Cash of subsidiaries disposed		(34,048)	(54,926)
Cash inflow on disposal of subsidiaries		323,001	1,142,375

31 Business Combinations

Acquisition of The Cavendish Hotel (London) Limited

On 1 October 2012, the Group acquired 100% equity interest in The Cavendish Hotel (London) Limited ("Cavendish"). Cavendish owns a property known and operated as The Cavendish London (the "Hotel") since 1966.

The acquisition is part of the Group's ongoing strategy to deepen its presence and enhance its real estate portfolio in key growth cities in Asia and Europe.

Cavendish contributed revenue of $8.1 million and net profit of $2.5 million to the Group's results for the period from 1 October 2012 to 31 December 2012.

If the acquisition had occurred on 1 January 2012, management estimates that the contribution from Cavendish in terms of revenue and net profit would have been $32.2 million and $10.2 million respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2012.

Purchase Consideration

The consideration for the acquisition was $320.9 million, which included the assignment of shareholder's loan due from Cavendish to its previous shareholder, and was settled in cash. No contingent consideration or indemnification asset was recognised at the acquisition date. Both the Group and the acquired entities do not have a relationship before this acquisition. Therefore, there was no settlement of pre-existing relationship.

Goodwill of $16.9 million was recognised as a result of the difference between consideration transferred and the fair value of the identifiable net assets.

Effects of cash flows of the Group

	2012
	$'000
Cash consideration paid	277,168
Assumption of shareholder's loan	43,766
Purchase consideration	320,934
Less: cash and cash equivalents in subsidiary acquired	(5,455)
Net cash outflow on acquisition	315,479

Identifiable assets acquired and liabilities assumed

	2012
	$'000
Property, plant and equipment	318,298
Cash and cash equivalents	5,455
Other current assets	3,201
Non-current liabilities	(19,313)
Current liabilities	(47,392)
Total identifiable net assets	260,249
Goodwill on acquisition	16,919
Assumption of shareholder's loan	43,766
Purchase consideration	320,934

Acquisition-related costs

Acquisition-related costs of $1.2 million related to stamp duties, legal, tax and due diligence fees were included in administrative and other operating expenses in the consolidated income statement.

There was no significant business combination undertaken by the Group in 2011.

32 Financial Risk Management

(a) Financial risk management objectives and policies

The Group and the Company are exposed to market risk (including interest rate, foreign currency and price risks), credit risk and liquidity risk arising from its diversified business. The Group's risk management approach seeks to minimise the potential material adverse effects from these exposures. The Group uses financial instruments such as currency forwards, interest rate swaps and caps as well as foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee to strengthen its risk management processes and framework. The Risk Committee is assisted by an independent unit called the Risk Assessment Group ("RAG"). RAG generates a comprehensive portfolio risk report to assist the committee. This quarterly report measures a spectrum of risks, including property market risks, construction risks, interest rate risks, refinancing risks and currency risks.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investments in financial products are short term in nature and they are not held for trading or speculative purposes. The financial products comprise fixed deposits or short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes. The Group also uses hedging instruments such as interest rate swaps and caps to minimise its exposure to interest rate volatility. The Group classifies these interest rate swaps and caps as cash flow hedges. In addition, the Group also uses other derivative instruments such as callable swaps to manage the cost of funding.

The fair value loss of interest rate swaps and caps as at 31 December 2012 was $183.0 million (2011: $111.7 million), comprising derivative liabilities of $183.0 million (2011: $111.9 million) and derivative assets of nil (2011: $0.2 million).

Sensitivity analysis

For interest rate derivative instruments used for hedging and other variable rate financial liabilities, it is estimated that an increase of 100 basis point in interest rate at the reporting date would lead to a reduction in the Group's profit before tax (and revenue reserves) by approximately $33.0 million (2011: $37.8 million). A decrease in 100 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

(ii) Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Australian Dollars, Chinese Renminbi, Euros, Hong Kong Dollars, Japanese Yen, Sterling Pounds and US Dollars.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group uses forward exchange contracts to hedge its foreign currency risk, where feasible. It generally enters into forward exchange contracts with maturities ranging between 3 months and 1 year which are rolled over at market rates at maturity. The Group also enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency.

The net fair value gain of the forward exchange and cross currency swaps contracts as at 31 December 2012 was $30.0 million (2011: $7.9 million), comprising derivative assets of $34.0 million (2011: $31.5 million) and derivative liabilities of $4.0 million (2011: $23.6 million).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's exposure to foreign currencies as at 31 December 2012 and 31 December 2011 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									
2012									
Other financial assets	4,336	–	–	3,338	267,252	33	–	–	274,959
Trade and other receivables	141,518	326,328	202,244	18,930	52,552	33,195	4,404	140,191	919,362
Cash and cash equivalents	135,664	140,876	968,073	7,794	264,323	18,990	47,736	34,882	1,618,338
Borrowings	(903,690)	(2,587,113)	(499,379)	(223,860)	(1,132,141)	(61,801)	(86,323)	(123,499)	(5,617,806)
Trade and other payables	(203,715)	(287,927)	(580,726)	(15,435)	(75,557)	(47,623)	(25,186)	(62,415)	(1,298,584)
Gross currency exposure	(825,887)	(2,407,836)	90,212	(209,233)	(623,571)	(57,206)	(59,369)	(10,841)	(4,103,731)
Add/Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(71,097)	2,458,904	11,096	186,728	649,492	55,514	109,375	7,577	3,407,589
Cross currency swaps/foreign exchange forward contracts	728,517	–	–	–	(23,405)	–	–	–	705,112
Less: Available-for-sale financial assets	(4,336)	–	–	(3,338)	(2,087)	–	–	–	(9,761)
Net currency exposure	(172,803)	51,068	101,308	(25,843)	429	(1,692)	50,006	(3,264)	(791)

Others include mainly Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

	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									
2011									
Other financial assets	4,344	–	–	3,205	321,331	–	–	–	328,880
Trade and other receivables	97,627	272,728	217,583	42,344	67,502	36,514	7,998	159,057	901,353
Cash and cash equivalents	273,863	144,473	1,232,612	8,186	18,917	15,150	62,307	43,442	1,798,950
Borrowings	(453,519)	(2,643,580)	(387,139)	(212,635)	(562,176)	(67,721)	(88,556)	(118,478)	(4,533,804)
Trade and other payables	(202,556)	(300,086)	(574,765)	(17,160)	(16,897)	(44,242)	(27,104)	(54,431)	(1,237,241)
Gross currency exposure	(280,241)	(2,526,465)	488,291	(176,060)	(171,323)	(60,299)	(45,355)	29,590	(2,741,862)
Add/Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	44,034	2,564,899	(289,809)	146,913	43,124	61,723	84,518	(34,463)	2,620,939
Cross currency swaps/foreign exchange forward contracts	174,306	(5,463)	–	–	(53,914)	–	–	–	114,929
Less: Available-for-sale financial assets	(4,344)	–	–	(3,205)	(2,465)	–	–	–	(10,014)
Net currency exposure	(66,245)	32,971	198,482	(32,352)	(184,578)	1,424	39,163	(4,873)	(16,008)

Others include mainly Sterling Pound, Thai Baht, Indian Rupee and Vietnamese Dong.

The Company	**US Dollars $'000**	**Total Foreign Currencies $'000**
2012		
Cash and cash equivalents	130	130
Trade and other receivables	4	4
Currency exposure	134	134
2011		
Cash and cash equivalents	55	55
Trade and other receivables	4	4
Currency exposure	59	59

Sensitivity analysis

It is estimated that a five percentage point strengthening in foreign currencies against the Singapore Dollar would not have any significant exposure to the Group's profit before tax (2011: the Group's profit before tax decreased by $0.8 million) and increase the Group's other components of equity by approximately $0.5 million (2011: $0.5 million). A five percentage point weakening in foreign currencies against the Singapore Dollar would have an equal but opposite effect. The Group's outstanding forward exchange contracts and cross currency swaps have been included in this calculation. The analysis assumed that all other variables, in particular interest rates, remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

There was no significant exposure to foreign currencies for the Company as at 31 December 2012 and 31 December 2011.

(iii) Equity price risk

The Group has available-for-sale investments in equity securities and is exposed to price risk. The securities are listed in Japan.

Sensitivity analysis

If prices for equity securities listed in Japan change by 5% with all other variables including tax rate being held constant, the impact on available-for-sale reserve will be as follows:

	2012		**2011**	
The Group	**5% increase $'000**	**5% decrease $'000**	**5% increase $'000**	**5% decrease $'000**
Available-for-sale reserve	104	(104)	123	(123)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For trade receivables, the Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Trade and other receivables relate mainly to the Group's customers who bought its residential units and tenants from its commercial buildings, shopping malls and serviced residences. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria and are of high credit standing.

The principal risk to which the Group and the Company is exposed in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts it has issued. To mitigate the risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given for its subsidiaries and related parties. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 34.

The Group has a diversified portfolio of businesses and as at balance sheet date, there were no significant concentration of credit risk with any entity. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, including derivative financial instruments as well as any irrevocable loan undertaking to associates and joint ventures.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Contractual cash flows			
The Group	**Carrying amount $'000**	**Total $'000**	**Not later than 1 year $'000**	**Between 1 and 5 years $'000**	**After 5 years $'000**
2012					
Financial liabilities, at amortised cost					
Bank borrowings	7,382,940	7,963,958	958,430	6,625,330	380,198
Debt securities	6,796,838	8,530,756	184,909	3,411,084	4,934,763
Trade and other payables#	2,273,336	2,276,522	1,778,959	426,836	70,727
	16,453,114	18,771,236	2,922,298	10,463,250	5,385,688
Derivative financial liabilities, at fair value	187,087	45,276	25,794	23,788	(4,306)
	16,640,201	18,816,512	2,948,092	10,487,038	5,381,382
2011					
Financial liabilities, at amortised cost					
Bank borrowings	6,531,801	7,649,276	665,250	6,866,220	117,806
Debt securities	5,658,838	7,104,747	570,780	2,821,646	3,712,321
Trade and other payables#	2,258,817	2,301,579	1,837,547	411,153	52,879
	14,449,456	17,055,602	3,073,577	10,099,019	3,883,006
Derivative financial liabilities, at fair value	135,522	60,265	40,151	20,153	(39)
	14,584,978	17,115,867	3,113,728	10,119,172	3,882,967

\# *Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.*

The Company	Carrying amount $'000	Total $'000	Contractual cash flows: Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
2012					
Financial liabilities, at amortised cost					
Debt securities	3,512,287	4,390,211	81,576	2,004,459	2,304,176
Trade and other payables#	51,144	51,144	51,144	–	–
	3,563,431	4,441,355	132,720	2,004,459	2,304,176
2011					
Financial liabilities, at amortised cost					
Debt securities	3,432,956	4,496,201	81,834	2,047,879	2,366,488
Trade and other payables#	50,613	50,613	50,613	–	–
	3,483,569	4,546,814	132,447	2,047,879	2,366,488

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 income statement:

The Group	Carrying amount $'000	Total $'000	Contractual cash flows: Not later than 1 year $'000	Between 1 and 5 years $'000	After 5 years $'000
2012					
Interest rate swaps					
- (liabilities)/assets	(130,802)	(54,591)	(26,109)	(28,547)	65
Forward start interest rate swaps					
- (liabilities)/assets	(6,499)	(1,686)	–	(1,694)	8
Forward exchange contracts					
- assets	1,760	1,760	1,760	–	–
Cross currency interest rate swaps					
- (liabilities)/assets	(4,050)	14,339	1,154	6,452	6,733
	(139,591)	(40,178)	(23,195)	(23,789)	6,806

			Contractual cash flows		
The Group	**Carrying amount $'000**	**Total $'000**	**Not later than 1 year $'000**	**Between 1 and 5 years $'000**	**After 5 years $'000**
2011					
Interest rate swaps					
- (liabilities)/assets	(69,243)	(31,499)	(15,320)	(16,753)	574
Forward start interest rate swaps					
- liabilities	(9,772)	(3,453)	(813)	(2,105)	(535)
Forward exchange contracts					
- liabilities	(5,242)	(5,242)	(5,242)	–	–
	(84,257)	(40,194)	(21,375)	(18,858)	39

(e) Fair values

The following methods and assumptions are used to estimate the fair values of the following significant classes of financial instruments:

(i) Derivatives

The fair value of derivative financial instruments is based on their market prices or brokers' quotes.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date. In respect of the liability component of convertible bonds, the fair value at initial recognition is determined using a market 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 at the balance sheet.

(iv) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as at 31 December 2012. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2012				
Available-for-sale financial assets	2,087	195,000	268,681	465,768
Derivative financial assets	–	34,092	–	34,092
	2,087	229,092	268,681	499,860
Derivative financial liabilities	–	(187,087)	–	(187,087)
	2,087	42,005	268,681	312,773
2011				
Available-for-sale financial assets	2,465	195,000	322,258	519,723
Derivative financial assets	–	31,720	–	31,720
	2,465	226,720	322,258	551,443
Derivative financial liabilities	–	(135,522)	–	(135,522)
	2,465	91,198	322,258	415,921

For the fair value measurements in Level 3, changing one or more of the assumptions to other reasonably possible alternative assumptions would not have a significant effect on the Group's financial statements.

The movements of financial assets classified under Level 3 are presented as follows:

		The Group	
	Note	**2012**	**2011**
		$'000	**$'000**
Balance as at 1 January		322,258	141,144
Additions		22,673	298,088
Capital distribution		(39,088)	–
Impairments recognised in income statement		(1,430)	(1,329)
Amount set off against provisions	20(a)(i)	(3,872)	(124,165)
Fair value gain recognised in available-for-sale financial assets		123	97
Disposal		–	(24,012)
Translations differences		(31,983)	32,435
Balance as at 31 December		268,681	322,258

(v) *Accounting classifications and fair values*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

The Group	**Note**	**Fair value – hedging instruments $'000**	**Loans and receivables $'000**	**Available-for-sale $'000**	**Other financial liabilities within the scope of FRS 39 $'000**	**Total carrying amount $'000**	**Fair value $'000**
2012							
Trade and other receivables	12	–	1,274,301	–	–	1,274,301	1,274,301
Cash and cash equivalents	15	–	5,497,693	–	–	5,497,693	5,497,693
Other non-current assets		27,722	390,085	284,731	–	702,538	702,538
Other current assets	10(b)	6,370	–	195,000	–	201,370	201,370
		34,092	7,162,079	479,731	–	7,675,902	7,675,902
Trade and other payables#		–	–	–	2,273,336	2,273,336	2,273,336
Bank borrowings	18	–	–	–	7,382,940	7,382,940	7,387,743
Debt securities	19	–	–	–	6,796,838	6,796,838	7,220,308
Derivative financial liabilities		187,087	–	–	–	187,087	187,087
		187,087	–	–	16,453,114	16,640,201	17,068,474

Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

The Group	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
2011							
Trade and other receivables	12	–	1,701,523	–	–	1,701,523	1,701,523
Cash and cash equivalents	15	–	6,264,473	–	–	6,264,473	6,264,473
Other non-current assets		31,720	363,264	349,343	–	744,327	744,327
Other current assets	10(b)	–	–	195,000	–	195,000	195,000
		31,720	8,329,260	544,343	–	8,905,323	8,905,323
Trade and other payables#		–	–	–	2,258,817	2,258,817	2,258,817
Bank borrowings	18	–	–	–	6,531,801	6,531,801	6,531,801
Debt securities	19	–	–	–	5,658,838	5,658,838	5,608,008
Derivative financial liabilities		135,522	–	–	–	135,522	135,522
		135,522	–	–	14,449,456	14,584,978	14,534,148

The Company	Note	Loans and receivables $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
2012					
Trade and other receivables	12	2,446,792	–	2,446,792	2,446,792
Cash and cash equivalents	15	442,650	–	442,650	442,650
		2,889,442	–	2,889,442	2,889,442
Trade and other payables#		–	51,144	51,144	51,144
Debt securities	19	–	3,512,287	3,512,287	3,830,561
		–	3,563,431	3,563,431	3,881,705
2011					
Trade and other receivables	12	2,588,723	–	2,588,723	2,588,723
Cash and cash equivalents	15	326,539	–	326,539	326,539
		2,915,262	–	2,915,262	2,915,262
Trade and other payables#		–	50,613	50,613	50,613
Debt securities	19	–	3,432,956	3,432,956	3,498,891
		–	3,483,569	3,483,569	3,549,504

Excludes quasi-equity loans, progress billings, liability for employee benefits and provisions.

33 Commitments

As at the balance sheet date, the Group and the Company had the following commitments:

(a) Operating lease

The Group leases a number of offices, motor vehicles, office equipments and serviced apartments under operating leases. The leases have tenure ranging from one to twenty years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate. Future minimum lease payments for the Group and the Company on non-cancellable operating leases are as follows:

	The Group		**The Company**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Lease payments payable:				
Not later than 1 year	110,688	114,475	4,359	3,151
Between 1 and 5 years	268,985	280,770	34,275	1,353
After 5 years	70,220	94,490	88,463	33
	449,893	489,735	127,097	4,537

(b) Commitments

	The Group		**The Company**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Commitments in respect of:				
- capital expenditure contracted but not provided for in the financial statements	7,106	10,132	944	768
- development expenditure contracted but not provided for in the financial statements	1,357,956	1,774,778	–	–
- capital contribution/acquisition of associates, joint ventures and investee companies	1,207,755	1,094,668	–	–
- purchase of lands/properties contracted but not provided for in the financial statements	796,344	1,148,353	–	–
- shareholders' loan committed to associates, joint ventures and investee companies	281,302	1,096,462	–	–
	3,650,463	5,124,393	944	768

(c) As at the balance sheet date, the notional principal values of financial instruments were as follows:

	The Group		**The Company**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Interest rate swaps	4,321,425	2,822,340	–	–
Forward start interest rate swaps	255,318	260,142	–	–
Forward foreign exchange contracts	739,386	686,536	–	–
Cross currency swaps	695,816	211,538	–	–
	6,011,945	3,980,556	–	–

(d) The maturity profile of these financial instruments were:

	The Group		**The Company**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Not later than 1 year	1,824,487	1,648,968	–	–
Between 1 and 5 years	2,878,879	1,690,815	–	–
After 5 years	1,308,579	640,773	–	–
	6,011,945	3,980,556	–	–

34 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**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
(a) Guarantees given to banks to secure banking facilities provided to:				
- subsidiaries	–	–	2,525,499	2,644,542
- associates	34,764	51,313	–	–
- joint ventures	9,414	10,552	–	–
	44,178	61,865	2,525,499	2,644,542

(b) Undertakings by the Group and the Company:

(i) A subsidiary of the Group has provided several undertakings on cost overrun, security margin, interest shortfall and an indemnity for bankers' guarantee issuance on a several basis as well as a project completion undertaking on a joint and several basis, in respect of term loan and revolving construction facilities amounting to $1,486.1 million (2011: $1,486.1 million) and bankers' guarantee facility amounting to $133.9 million (2011: $133.9 million) granted to an associate. As at 31 December 2012, the total amount outstanding under the facilities was $1,325.3 million (2011: $1,286.1 million).

(ii) A subsidiary of the Group has provided several undertakings on cost overrun, security margin and interest shortfall on a several basis as well as a project completion undertaking on a joint and several basis, in respect of a term loan facility amounting to $56.5 million (2011: $105.0 million) and bankers' guarantee facility amounting to $42.0 million (2011: $42.0 million) granted to a joint venture. As at 31 December 2012, the amount outstanding under the facilities was $56.5 million (2011: $105.0 million).

(iii) A subsidiary of the Group has provided several undertakings on cost overrun, interest shortfall, security margin and project completion on a joint and several basis, in respect of a $890.0 million (2011: $890.0 million) term loan facility granted to a joint venture. As at 31 December 2012, the amount outstanding under the term loan facility was $470.0 million (2011: $440.0 million).

(iv) A subsidiary of the Group has provided an undertaking on security margin on a joint and several basis, in respect of term loan and revolving loan facilities amounting to $1,618.0 million (2011: $1,618.0 million) granted to a joint venture. As at 31 December 2012, the amount outstanding under the facilities was $1,618.0 million (2011: $1,618.0 million).

(v) Certain subsidiaries of the Group in China, whose principal activities are the trading of development properties, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of residential properties developed by these subsidiaries. As at 31 December 2012, the outstanding notional amount of the guarantees amounted to $61.6 million (2011: $64.9 million).

35 Contingencies

(a) Pursuant to an agreement dated 13 December 2010, a subsidiary of the Group had granted an option to a third party to put a piece of freehold land used for a proposed mixed commercial development to the Group within three years from 27 December 2010 at MYR255 million upon the occurrence of certain trigger events. As at 31 December 2012, the put option has not been exercised.

(b) Pursuant to an agreement dated 10 April 2012, a subsidiary of the Group had granted a third party an option to put a residential development to the Group within two years from 10 April 2012 at AUD77 million upon the occurrence of certain trigger events. As at 31 December 2012, the put option has not been exercised.

36 Significant Related Party Transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group considers the directors of the Company, and the Council of CEOs comprising the President & CEO, key management officers of the corporate office and CEOs of the strategic business units, to be key management personnel in accordance with FRS 24 *Related Party Disclosures*.

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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Related Corporations				
Equity participation in a newly formed company	–	150,000	–	–
Acquisition of an associate	–	360,000	–	–
Project management fee income	2,154	742	–	–
Subsidiaries				
Management fee income	–	–	71,471	66,107
IT and administrative support services	–	–	16,681	12,332
Others	–	–	(113)	(239)
Associates and Joint Ventures				
Management fee income	339,510	301,426	–	–
Construction and project management income	78,549	51,958	–	–
Rental expense	(44,260)	(44,684)	(3,498)	(3,824)
Proceeds from sale of properties and investments	359,322	443,535	–	–
Acquisition of property and investments	179,500	79,443	–	–
Accounting service fee, acquisition fee, divestment fee, marketing income and others	81,352	77,575	(266)	(256)

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Key Management Personnel				
Subscription of bonds issued by a subsidiary	430	3,000	–	–
Interest paid/payable by the Company and its subsidiaries	390	325	155	111
Professional fees paid/payable to a director and a firm in which a director is a member	–	7	–	–
Sale of residential properties by the subsidiaries	3,680	1,178	–	–
Remuneration of Key Management Personnel				
Salary, bonus and other benefits	20,868	23,041	10,369	11,650
Employer's contributions to defined contribution plans	136	107	60	45
Equity compensation benefits	9,146	6,961	4,835	3,643
	30,150	30,109	15,264	15,338

37 Subsidiaries

(a) The significant subsidiaries directly held by the Company which are incorporated and conducting business in the Republic of Singapore are as set out below:

	Percentage held by the Company	
	2012	2011
Name of Company	%	%
CapitaLand Commercial Limited	100	100
CapitaLand Financial Limited	100	100
CapitaLand GCC Holdings Pte Ltd	100	100
CapitaLand ILEC Pte Ltd	100	100
CapitaLand Malaysia Pte Ltd	100#	–
CapitaLand Residential Limited	100	100
CapitaLand Treasury Limited	100	100
CapitaMalls Asia Limited	65.4	65.5
CapitaValue Homes Limited	100	100
CL Pinnacle Pte Ltd	100	100

Name of Company	Percentage held by the Company 2012 %	2011 %
The Ascott Limited	100	100

[#] *Transferred from CapitaLand Commercial Limited.*

(b) Other significant subsidiaries in the Group are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(i) Directly or indirectly held by CapitaLand Residential Limited:			
Ankerite Pte Ltd	Singapore	60.0	60.0
Ausprop Holdings Limited	Singapore	100	100
Australand	Australia	59.3	59.3
Austvale Holdings Ltd	Singapore	100	100
CapitaLand China Holdings Pte Ltd	Singapore	100	100
CapitaLand Residential Singapore Pte Ltd	Singapore	100	100
CRL Realty Pte Ltd	Singapore	100	100
Jubilee Realty Pte Ltd	Singapore	100	100
Leonie Court Pte Ltd	Singapore	100	100
Phoenix Realty Pte Ltd	Singapore	100	100

Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(ii) Directly or indirectly held by CapitaLand China Holdings Pte Ltd:			
[1]Caike Property (Shanghai) Co., Ltd	The People's Republic of China	100	50.0
[1]CapitaLand (China) Investment Co., Ltd	The People's Republic of China	100	100
[1]CapitaLand Management (China) Co., Ltd	The People's Republic of China	100	100
[1]CapitaLand XinYe (Hangzhou) Real Estate Development Co., Ltd	The People's Republic of China	100	100
[1]Dongjin Real Estate Development (Tian Jin) Co., Ltd	The People's Republic of China	100	100
[1]Foshan Xin Fo Chen Real Estate Development Co., Ltd	The People's Republic of China	100	100
Knowsley Pte Ltd	Singapore	100	100
[1]Longtex Investment Limited	Hong Kong	100	100
[3]Shenzhen Municipal Golden Dragon Property Development Limited	The People's Republic of China	73.0	73.0
(iii) Directly or indirectly held by CapitaLand Commercial Limited:			
CapitaLand Malaysia Pte Ltd	Malaysia	–#	100
CapitaLand (Office) Investments Pte Ltd	Singapore	100	100
E-Pavilion Pte Ltd	Singapore	100	100
SBR Private Limited	Singapore	100	100
Wan Tien Realty (Pte) Ltd	Singapore	100	100

Transferred to CapitaLand Limited.

	Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(iv)	**Directly or indirectly held by The Ascott Limited:**			
	Ascott Residence Trust Management Limited	Singapore	100	100
	Ascott Singapore Raffles Place Pte Ltd	Singapore	100	100
	CH Residential Pte Ltd	Singapore	100[#]	–
	Citadines Ashley TST (Singapore) Pte Ltd	Singapore	100	100
	[1] Citadines Melbourne on Bourke Pty Ltd	Australia	100	100
	LC (Kumpulan Malaysia) Pte Ltd	Singapore	100	100
	Liang Court (Malaysia) Sdn Bhd	Malaysia	100	100
	The Ascott Capital Pte Ltd	Singapore	100	100
	The Ascott Holdings Limited	Singapore	100	100
	The Cavendish Hotel (London) Limited	United Kingdom	100	–
	Somerset Capital Pte Ltd	Singapore	100	100

[#] *Includes 50% interest directly held through CapitaLand Residential Singapore Pte Ltd.*

	Name of Company	Place of Incorporation	2012 %	2011 %
(v)	**Indirectly held by CapitaValue Homes Limited:**			
	CapitaLand (Vietnam) Holdings Pte Ltd	Singapore	100	100
	[1] CapitaLand-Vista Joint Venture Co., Ltd	Vietnam	80.0	80.0
	[1] CapitaLand-Hoang Thanh Company Limited	Vietnam	70.0	70.0
	[1] CapitaLand Real Estate Management (Vietnam) Ltd	Vietnam	100	100
	[1] Guangzhou Kaiyao Real Estate Co., Ltd	The People's Republic of China	58.6	100

Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(v) Indirectly held by CapitaValue Homes Limited (cont'd):			
[1] Shanghai Kaihui Real Estate Co., Ltd	The People's Republic of China	55.7	–
[1] Wuhan Kaihui Real Estate Co., Ltd	The People's Republic of China	100	100
(vi) Directly or indirectly held by CapitaLand Financial Limited:			
CapitaLand China Development Fund Management Private Limited	Singapore	100	100
CapitaCommercial Trust Management Limited	Singapore	100	100
CapitaLand Fund Management (Asia) Pte Ltd (formerly known as RCCF Management Pte Ltd)	Singapore	100	100
Precinct Australia Pte Ltd	Singapore	100	100
(vii) Directly or indirectly held by CapitaMalls Asia Limited:			
CapitaLand Retail China Pte Ltd	Singapore	65.4	65.5
CapitaLand Retail (MY) Pte Ltd	Singapore	65.4	65.5
CapitaLand Retail Singapore Investments Pte Ltd	Singapore	65.4	65.5
CapitaLand Retail Hong Kong Investments Two (BV) Limited	British Virgin Islands	65.4	65.5
CapitaMall Trust Management Limited	Singapore	65.4	65.5
CapitaRetail China Investments Pte Ltd	Singapore	65.4	65.5
CMA Japan Holdings Pte Ltd	Singapore	65.4	65.5
Pyramex Investments Pte Ltd	Singapore	65.4	65.5
[1] Shanghai Yongwei Real Estate Co., Ltd	The People's Republic of China	43.2	43.2

Name of Company	Place of Incorporation	Effective Interest held by the Group 2012	2011
		%	%
(viii) Directly or indirectly held by Australand:			
[2] Australand Finance Limited	Australia	59.3	59.3
[2] Australand Funds Management Limited	Australia	59.3	59.3
[2] Australand HK Company Limited	Hong Kong	59.3	59.3
[2] Australand Investments Limited	Australia	59.3	59.3
[2] Australand Property Group Pty Limited	Australia	59.3	59.3
[2] Australand Property Trust	Australia	59.3	59.3
[2] Australand Property Limited	Australia	59.3	59.3
[2] Australand Property Trust No.4	Australia	59.3	59.3
[2] Australand Property Trust No.5	Australia	59.3	59.3
(ix) Directly held by CapitaLand ILEC Pte Ltd:			
CapitaLand ILEC One Pte Ltd	Singapore	100	100
Kestrel Pte Ltd	Singapore	100	100
(x) Directly held by CapitaLand GCC Holdings Pte Ltd:			
[1] CapitaLand Bahrain Bay Business Services WLL	Bahrain	100	100
CapitaLand GCC (Abu Dhabi) Pte Ltd	Singapore	100	100
CapitaLand GCC (Bahrain) Pte Ltd	Singapore	100	100

Notes:

All significant subsidiaries are audited by KPMG LLP Singapore except for the following:

[1] *Audited by other member firms of KPMG International.*

[2] *Audited by PricewaterhouseCoopers and its associated firms.*

[3] *Audited by Shenzhen Yida Certified Public Accountants.*

[4] *Audited by Beijing Zhong Jing Heng Tai Certified Public Accountants.*

38 Associates

Details of significant associates are as follows:

Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(i) Directly held by CL Pinnacle Pte Ltd:			
Surbana Corporation Pte Ltd	Singapore	40.0	40.0
(ii) Indirectly held by CapitaLand China Holdings Pte Ltd:			
CapitaLand China Development Fund Pte Ltd	Singapore	37.5	37.5
[1] Central China Real Estate Ltd	Cayman Islands	27.1	27.1
[2] Lai Fung Holdings Limited	Cayman Islands	20.0	20.0
Raffles City China Fund Ltd	Cayman Islands	45.4^	45.3^

^ *Includes 9.8% interest indirectly held through CapitaMalls Asia Limited.*

Name of Company	Place of Incorporation	2012 %	2011 %
(iii) Indirectly held by CapitaLand Commercial Limited:			
CapitaCommercial Trust	Singapore	32.3#	32.0#
[3] DBS China Square Limited	Singapore	30.0	30.0

Includes 3.2% and 2.9% interests indirectly held through CapitaLand Financial Limited as at end-2012 and end-2011 respectively.

Name of Company	Place of Incorporation	2012 %	2011 %
(iv) Directly and indirectly held by The Ascott Limited:			
Ascott Residence Trust	Singapore	49.4	48.8
Ascott Serviced Residence (China) Fund	Cayman Islands	36.1	36.1
(v) Indirectly held by CapitaMalls Asia Limited:			
CapitaMall Trust +	Singapore	18.0	18.7
[1] CapitaMalls Malaysia Trust	Malaysia	23.5	23.4
CapitaMalls Japan Fund Private Limited+	Singapore	17.2	17.2

	Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(v)	**Indirectly held by CapitaMalls Asia Limited:**			
	CapitaMalls China Income Fund	Singapore	29.4	29.5
	CapitaMalls China Development Fund II	Singapore	29.4	29.5
	CapitaMalls China Development Fund III	Singapore	32.7	–
	CapitaMalls China Incubator Fund[+]	Singapore	19.6	19.6
	CapitaMalls India Development Fund	Singapore	29.8	29.8
	CapitaRetail China Trust [+]	Singapore	16.4	17.7

[+] *Considered to be an associate as the Group has significant influence over the financial and operating policy decisions of the investee through its subsidiary CapitaMalls Asia Limited.*

	Name of Company	Place of Incorporation	2012 %	2011 %
(vi)	**Indirectly held by CapitaLand GCC Holdings Pte Ltd:**			
	[1] Raffles City Bahrain Fund Ltd	Cayman Islands	40.9	40.9

Notes:

All significant associates are audited by KPMG LLP Singapore except for the following:

[1] *Audited by other member firms of KPMG International.*

[2] *Audited by Ernst & Young and its associated firms.*

[3] *Audited by PricewaterhouseCoopers and its associated firms.*

39 Joint Ventures

Details of significant joint ventures are as follows:

	Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(i)	**Directly or indirectly held by CapitaLand China Holdings Pte Ltd:**			
	[2] Beautiwin Limited	Hong Kong	50.0	50.0
	CTM Property Trust	Singapore	51.7 [#]	51.7 [#]

[#] *Includes 20.5% interest indirectly held through CapitaMalls Asia Limited.*

	Name of Company	Place of Incorporation	Effective Interest held by the Group 2012 %	2011 %
(ii)	**Directly held by CapitaValue Homes Limited:**			
	Vietnam Joint Venture Company Limited	Cayman Islands	50.0	50.0
(iii)	**Indirectly held by CapitaMalls Asia Limited:**			
	Orchard Turn Holding Pte Ltd	Singapore	32.7	32.8
	[1] Suzhou Jinghui Properties Co	The People's Republic of China	32.7	–
(iv)	**Indirectly held by CapitaLand GCC Holdings Pte Ltd:**			
	[1] Mubadala CapitaLand Real Estate LLC	United Arab Emirates	49.0	49.0

Notes:

All significant joint ventures are audited by KPMG LLP Singapore except for the following:

1 *Audited by other member firms of KPMG International.*

2 *Audited by Ernst & Young and its associated firms.*

40 Operating Segments

Management determines the operating segments based on the reports reviewed and used by the Council of CEOs for strategic decisions making and resources allocation. For management purposes, the Group is organised into strategic business units based on their products, services and geography.

The Group's reportable operating segments are as follows:

(i) CapitaLand Residential Singapore – develops residential properties in Singapore for sale and covers a wide spectrum of the residential market in Singapore.

(ii) CapitaLand China Holdings – involves in the residential, commercial and integrated property development in China.

(iii) CapitaLand Commercial – owner/manager of commercial and industrial properties in Singapore, Malaysia and United Kingdom.

(iv) Ascott – an international serviced residence owner-operator with operations in key cities of Asia Pacific, Europe and the Gulf region. It operates three brands, namely Ascott, Somerset and Citadines.

(v) CapitaLand Financial – involves in real estate fund management and financial advisory services.

(vi) CapitaValue Homes – develops value housing projects in China and Vietnam.

(vii) CapitaMalls Asia – shopping mall owner/manager with portfolio in Singapore, China, India, Japan and Malaysia.

(viii) Australand – a major diversified property group with activities in residential, commercial and industrial developments and investment properties across Australia.

(ix) Others – includes Corporate Office, Group Treasury and Surbana.

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax ("EBIT"). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

Geographically, management reviews the performance of the businesses in Singapore, China, Other Asia, Australia and Europe. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current assets and total assets are based on the geographical location of the assets.

On 3 January 2013, CapitaLand announced that it will realign and simplify the Group's organisational structure to sharpen its focus on key markets and further accelerate its growth potential.

The Group will be realigned into four main businesses – CapitaLand Singapore, CapitaLand China, CapitaMalls Asia (CMA) and The Ascott Limited (Ascott). Under the simplified organizational structure, the Group's businesses in Singapore and China excluding that of CMA and Ascott, will be consolidated into CapitaLand Singapore and CapitaLand China respectively. CMA and Ascott will be the other two main business units and they will operate across geographies that CapitaLand is in.

Operating Segments – 31 December 2012

	CapitaLand Residential Singapore $'000	CapitaLand China Holdings $'000	CapitaLand Commercial $'000	Ascott $'000	CapitaValue Homes $'000	CapitaLand Financial $'000	CapitaMalls Asia $'000	Australand $'000	Others $'000	Elimination $'000	Group $'000
Revenue											
External revenue	852,413	396,516	81,674	374,186	2,709	110,544	351,346	1,131,656	319	–	3,301,363
Inter-segment revenue	1,927	7,561	4,865	7,500	1,190	3,581	2,306	–	249,186	(278,116)	–
Total Revenue	**854,340**	**404,077**	**86,539**	**381,686**	**3,899**	**114,125**	**353,652**	**1,131,656**	**249,505**	**(278,116)**	**3,301,363**
Segmental Results											
Company and subsidiaries	330,048	137,555	49,212	90,917	(62,026)	67,584	266,847	333,070	314,739	(345,296)	1,182,650
Associates	(11,452)	164,484	126,886	72,185	–	239	298,047	9,546	9,471	29,791	699,197
Joint ventures	9,557	20,770	(1,906)	55	(18,872)	6	111,273	14,701	–	–	135,584
Earnings Before Interest and Taxation	**328,153**	**322,809**	**174,192**	**163,157**	**(80,898)**	**67,829**	**676,167**	**357,317**	**324,210**	**(315,505)**	**2,017,431**
Finance costs											(498,953)
Taxation											(201,907)
Profit for the year											**1,316,571**
Segment Assets	**3,469,018**	**7,186,880**	**2,767,228**	**3,328,614**	**655,640**	**323,449**	**10,774,145**	**5,085,365**	**11,058,693**	**(6,861,423)**	**37,787,609**
Segment Liabilities	**1,363,028**	**2,124,291**	**392,532**	**1,161,922**	**281,806**	**56,233**	**4,144,328**	**2,167,144**	**6,652,541**	**–**	**18,343,825**

Operating Segments – 31 December 2012 (cont'd)

	CapitaLand Residential Singapore $'000	CapitaLand China Holdings $'000	CapitaLand Commercial $'000	Ascott $'000	CapitaValue Homes $'000	CapitaLand Financial $'000	CapitaMalls Asia $'000	Australand $'000	Others $'000	Elimination $'000	Group $'000
Other segment items:											
Interest income	10,624	12,276	8,406	9,876	916	140	26,930	5,342	19,254	–	**93,764**
Depreciation and amortisation	(612)	(2,893)	(1,141)	(18,899)	(894)	(168)	(8,110)	(5,919)	(7,804)	–	**(46,440)**
(Provision made)/Reversal of provision for foreseeable losses	–	(5,000)	16,000	–	(34,166)	–	–	–	(10,263)	–	**(33,429)**
(Allowance for)/Reversal of impairment losses for assets	(4)	(143)	2,066	(11,971)	(29)	–	(384)	–	(26,701)	17,195	**(19,971)**
Fair value gains/(losses) on investment properties	–	6,950	(2,188)	(977)	–	–	84,830	66,477	–	–	**155,092**
Share-based expenses	(2,914)	(4,714)	(3,602)	(4,652)	(1,998)	(2,607)	(14,504)	(1,282)	(10,379)	–	**(46,652)**
Gains on disposal of investments	1	33,717	6,805	81,201	11	1,534	92,846	–	1,717	–	**217,832**
Associates	248,251	2,117,827	1,538,713	1,128,968	(364)	163,151	3,673,245	121,327	392,653	308,526	**9,692,297**
Joint ventures	142,528	325,806	66,226	3,401	46,214	140	1,977,658	254,795	2,217	–	**2,818,985**
Capital expenditure#	67,458	21,927	73,660	64,776	3,649	15	561,366	249,533	8,028	–	**1,050,412**

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

Operating Segments – 31 December 2011

	CapitaLand Residential Singapore $'000	CapitaLand China Holdings $'000	CapitaLand Commercial $'000	Ascott $'000	CapitaValue Homes $'000	CapitaLand Financial $'000	CapitaMalls Asia $'000	Australand $'000	Others $'000	Elimination $'000	Group $'000
Revenue											
External revenue	773,955	521,993	92,799	369,271	79,827	101,997	243,325	836,383	19	–	3,019,569
Inter-segment revenue	129	4,647	3,934	8,179	491	1,305	2,848	–	247,317	(268,850)	–
Total Revenue	**774,084**	**526,640**	**96,733**	**377,450**	**80,318**	**103,302**	**246,173**	**836,383**	**247,336**	**(268,850)**	**3,019,569**
Segmental Results											
Company and subsidiaries	301,317	251,576	34,517	41,725	(11,076)	75,947	241,196	284,834	276,162	(286,255)	1,209,943
Associates	2,026	157,327	160,610	107,228	–	4,073	195,382	5,320	(6,463)	25,691	651,194
Joint ventures	24,077	14,777	(5,562)	(559)	(1,794)	20	160,446	34,047	–	–	225,452
Earnings Before Interest and Taxation	**327,420**	**423,680**	**189,565**	**148,394**	**(12,870)**	**80,040**	**597,024**	**324,201**	**269,699**	**(260,564)**	**2,086,589**
Finance costs											(472,785)
Taxation											(190,884)
Profit for the year											**1,422,920**
Segment Assets	**3,056,600**	**6,983,939**	**2,771,082**	**3,345,704**	**511,065**	**239,065**	**8,901,607**	**5,140,846**	**11,272,463**	**(6,902,930)**	**35,319,441**
Segment Liabilities	**1,370,212**	**1,966,926**	**351,587**	**1,205,106**	**232,713**	**49,137**	**2,500,260**	**2,190,666**	**6,213,363**	–	**16,079,970**

Operating Segments – 31 December 2011 (cont'd)

	CapitaLand Residential Singapore $'000	CapitaLand China Holdings $'000	CapitaLand Commercial $'000	Ascott $'000	CapitaValue Homes $'000	CapitaLand Financial $'000	CapitaMalls Asia $'000	Australand $'000	Others $'000	Elimination $'000	Group $'000
Other segment items:											
Interest income	13,462	14,966	1,447	11,200	1,484	139	18,891	5,500	13,868	–	**80,957**
Depreciation and amortisation	(510)	(6,408)	(1,285)	(14,997)	(437)	(220)	(7,067)	(4,370)	(5,315)	–	**(40,609)**
Reversal of provision/(Provision made) for foreseeable losses	–	–	2,700	–	–	–	–	(39,155)	–	–	**(36,455)**
Impairment losses for assets	(4)	(326)	(4,774)	–	(56)	–	(278)	–	(57)	–	**(5,495)**
Fair value (losses)/ gains on investment properties	–	(2,927)	6,915	232	–	–	200,934	79,878	–	–	**285,032**
Share-based expenses	(1,553)	(3,495)	(3,035)	(4,281)	(916)	(1,437)	(8,343)	(2,971)	(8,312)	–	**(34,343)**
Gains/(Losses) on disposal of investments	–	169,511	21,766	36,853	6	20,322	14,793	–	(3,223)	–	**260,028**
Associates	259,672	2,056,740	1,532,978	1,152,984	(364)	135,535	3,397,889	83,742	402,696	268,865	**9,290,737**
Joint ventures	135,971	115,476	73,900	4,125	59,271	1,341	728,544	273,387	2,248	–	**1,394,263**
Capital expenditure[#]	246,962	33,476	205,199	41,698	1,086	233	1,500,931	226,165	22,020	–	**2,277,770**

[#] *Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.*

Geographic Information **2012**	**Singapore** **$'000**	**China[+]** **$'000**	**Other Asia[#]** **$'000**	**Australia** **$'000**	**Europe** **$'000**	**Others[@]** **$'000**	**Total** **$'000**
External revenue	1,169,706	587,933	139,896	1,182,289	196,687	24,852	3,301,363
Non-current assets^	7,497,499	8,049,872	2,179,149	3,685,159	794,713	–	22,206,392
Total assets	14,631,134	13,391,858	3,242,914	5,444,832	1,076,871	–	37,787,609
2011							
External revenue	1,074,765	665,599	156,354	890,213	200,508	32,130	3,019,569
Non-current assets^	6,821,378	6,520,896	1,674,865	3,526,515	750,190	–	19,293,844
Total assets	14,275,555	12,021,215	2,715,061	5,461,780	845,830	–	35,319,441

[+] *China includes Hong Kong and Macau.*
[#] *Other Asia includes Indonesia, Japan, Malaysia, Philippines, Thailand, Korea, India, Vietnam and Gulf Cooperation Council countries.*
[@] *Others includes the Cayman Islands.*
^ *Non-current assets comprised property, plant and equipment, intangible assets, investment properties and associates and joint ventures.*

41 New Accounting Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2013, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations are set out below.

Applicable for the Group's 2013 financial statements

- FRS 19 *Employee Benefits* (revised 2011) amended the definition of short term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits.

  The Group currently has a bonus plan based on Economic Value Added (EVA) that was awarded to its key executives. The EVA bonus accrued during the financial year is credited into the bonus account and one-third of the balance in the bonus account will be paid out annually. As at 31 December 2012, the bonus payable is measured on an undiscounted basis.

  Upon adoption of this standard, the Group will need to measure the bonus payable after one year at the present value of the amount payable.

  These amendments will be applied retrospectively and prior periods in the Group's 2013 financial statements will be restated. The Group does not expect any significant financial impact on its financial position or performance from the adoption of the revised FRS 19.

- FRS 113 *Fair Value Measurement*, which replaces the existing guidance on fair value measurement in different FRSs with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

  The adoption of this standard will require the Group to re-assess the bases used for determining the fair values computed for both measurement and disclosures purposes and would result in more extensive disclosures on fair value measurements.

  In accordance with the transitional provisions, the Group will apply FRS 113 prospectively as of 1 January 2013. On initial application of the standard, the Group does not expect substantial changes to the bases used for determining fair values.

Applicable for the Group's 2014 financial statements

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

The Group currently offsets receivables and payables due from/to the same counterparty if the Group has the legal right to set off the amounts when it is due and payable based on the contractual terms of the arrangement with the counterparty, and the Group intends to settle the amounts on a net basis. Based on the local laws and regulations in certain jurisdictions in which the counterparties are located, the set-off rights are set aside in the event of bankruptcy of the counterparties.

The amendments will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. On adoption of the amendments, the Group will have to present the respective receivables and payables on a gross basis as the right to set-off is not enforceable in the event of bankruptcy of the counterparty.

- FRS 110 *Consolidated Financial Statements*, which changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. FRS 110 introduces a single control model with a series of indicators to assess control. FRS 110 also adds additional context, explanation and application guidance based on the principle of control.

  The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment as at 31 December 2012, the Group has control over an associated company by virtue of the aggregate economic interests derived from the entity.

  This standard will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. While the Group is continuing to evaluate the application of this standard, based on FY2012 financial information, the estimated effect of the application of FRS 110 is a decrease in equity attributable to owners of the Company of $573.8 million, an increase in non-controlling interests of $713.8 million and a decrease in profit for 2012 of $141.0 million.

- FRS 111 *Joint Arrangements*, which establishes the principles for classification and accounting of joint arrangements. The adoption of this standard would require the Group to re-assess and classify its joint arrangements as either joint operations or joint ventures based on its rights and obligations arising from the joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations.

  As the Group is currently applying the equity method of accounting for its joint ventures, there will be no impact to the Group's profit or net assets when the Group adopts FRS 111 in 2014.

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

  As FRS 112 is primarily a disclosure standard, there will be no financial impact on the results and financial position of the Group and the Company upon adoption of this standard by the Group in 2014.

Registered Office of the Issuer

168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Registered Office of the Guarantor

168 Robinson Road
#30-01 Capital Tower
Singapore 068912

Auditors of the Issuer and the Guarantor

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

Trustee

The Bank of New York Mellon, London Branch
40th Floor One Canada Square
London E14 5AL
United Kingdom

Issuing and Paying Agent and Transfer Agent in respect of Notes other than CMU Notes, CDP Notes and DTC Notes

The Bank of New York Mellon, London Branch
40th Floor
One Canada Square
London E14 5AL
United Kingdom

Registrar in respect of Notes other than CMU Notes, CDP Notes and DTC Notes

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building-Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg

CDP Paying Agent

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#03-01 Millenia Tower
Singapore 039192

CMU Lodging and Paying Agent, Registrar and Transfer Agent in respect of CMU Notes

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
Queen's Road East
Hong Kong

Issuing and Paying Agent, Registrar and Transfer Agent in respect of DTC Notes

The Bank of New York Mellon
101 Barclay Street,
Floor 4-East
New York, New York 10286
U.S.A.

Arrangers and Dealers

DBS Bank Ltd.
12 Marina Boulevard #42-03
DBS Asia Central@Marina Bay
Financial Centre Tower 3
Singapore 018982

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay
#11-01 HSBC Building
Singapore 049320

J.P. Morgan (S.E.A.) Limited
17th Floor Capital Tower
168 Robinson Road
Singapore 068912

Morgan Stanley Asia (Singapore) Pte.
23 Church Street
#16-01 Capital Square
Singapore 049481

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
#03-05 OCBC Centre
Singapore 049514

Standard Chartered Bank
8 Marina Boulevard, Level 20
Marina Bay Financial Centre, Tower 1
Singapore 018981

United Overseas Bank
80 Raffles Place
#03-01 UOB Plaza 1
Singapore 048624

Legal Advisers To the Issuer and the Guarantor

in respect of Singapore law

Allen & Gledhill LLP
One Marina Boulevard
#28-00
Singapore 018989

Legal Advisers To the Arrangers

in respect of English law

Linklaters Singapore Pte Ltd
One George Street
#17-01
Singapore 049145

To the Trustee

in respect of English law

Linklaters
10th Floor, Alexandra House
Chater Road
Hong Kong

TOPPAN VITE PTE. LTD. SCR1308022

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**offering circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND ANY BEARER SECURITIES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. IN THE CASE OF BEARER NOTES, THE SECURITIES MAY NOT BE DELIVERED, OFFERED OR SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**INTERNAL REVENUE CODE**")).

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this offering circular or make an investment decision with respect to the securities, investors must be either (1) qualified institutional buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act) or (2) outside the United States and (in the case of bearer notes) non-U.S. persons (within the meaning of the Internal Revenue Code). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) outside the U.S. and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and (in the case of bearer notes) not a U.S. person and (2) that you consent to delivery of such offering circular by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular to any other person.

The materials relating to the offering of securities to which this offering circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in this offering circular) in such jurisdiction.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of CapitaLand Treasury Limited, CapitaLand Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank and United Overseas Bank Limited (the "**Arrangers**"), the Dealers (as defined in the offering circular), any person who controls any of them, or any director, officer, employee or agent of any of them, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers and the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.