

## IMPORTANT NOTICE

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**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached offer information statement. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached offer information statement. In accessing the attached offer information statement, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. None of CapitaMalls Asia Treasury Limited, CapitaMalls Asia Limited or DBS Bank Ltd. or any person who controls any of them or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached offer information statement or their respective contents or otherwise arising in connection therewith. **You acknowledge that the access to the attached offer information statement is intended for use by you only and you agree that you will not forward or otherwise provide access to any other person.**

**Confirmation of Your Representation:** In order to be eligible to view the attached offer information statement or make an investment decision with respect to the bonds, investors must be a person outside the United States. The attached offer information statement is being sent at your request and by accepting the e-mail and accessing the attached offer information statement, you shall be deemed to have represented and confirmed to CapitaMalls Asia Treasury Limited, CapitaMalls Asia Limited or DBS Bank Ltd. (1) that you are a person outside the United States, 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, to the extent you purchase the bonds described in the attached offer information statement, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and (2) that you consent to delivery of the attached offer information statement and any amendments or supplements thereto by electronic transmission.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of CapitaMalls Asia Treasury Limited, CapitaMalls Asia Limited or DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

**Restrictions:** The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the bonds described therein.

***NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF BONDS FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., 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.***

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of CapitaMalls Asia Treasury Limited, CapitaMalls Asia Limited or DBS Bank Ltd. to subscribe for or purchase any of the

bonds described therein. The attached offer information statement or any materials relating to the offering 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 dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of CapitaMalls Asia Treasury Limited and CapitaMalls Asia Limited in such jurisdiction.

You are reminded that you have accessed the attached offer information statement on the basis that you are a person into whose possession this offer information statement 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 document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you are not authorised and will be unable to purchase any of the bonds described therein.**

**Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any bonds by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.**

**YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFER INFORMATION STATEMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFER INFORMATION STATEMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED OFFER INFORMATION STATEMENT 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.**

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## CapitaMalls Asia Treasury Limited

(incorporated with limited liability in the Republic of Singapore on 13 January 2010)  
Company Registration Number: 201001037N

### OFFER OF UP TO S\$200 MILLION CALLABLE STEP-UP BONDS (SUBJECT TO AN INCREASE TO A MAXIMUM ISSUE SIZE OF S\$400 MILLION CALLABLE STEP-UP BONDS)

Unconditionally and irrevocably guaranteed by

## CapitaMalls Asia Limited

(incorporated with limited liability in the Republic of Singapore on 12 October 2004)  
Company Registration Number: 200413169H

**THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

This Offer Information Statement (as defined herein) is for the purposes of offering, pursuant to the Public Offer and the Placement (both as defined below) up to S\$200 million in aggregate principal amount of callable step-up bonds due 2022 (the "Initial Bonds") and in the event of oversubscription and at the discretion of CapitaMalls Asia Treasury Limited (the "Issuer"), in consultation with the Lead Manager (as defined below), up to an additional S\$200 million in aggregate principal amount of callable step-up bonds due 2022 (the "Optional Bonds", and together with the Initial Bonds, the "Bonds") (the "Offer"), up to a maximum of S\$400 million in aggregate principal amount of Bonds, by the Issuer and unconditionally and irrevocably guaranteed by CapitaMalls Asia Limited ("CapitaMalls Asia" or the "Guarantor"), subject to the Issuer's right to cancel the Offer in the event that less than S\$50 million in aggregate principal amount in applications are received for the Bonds.

The sole bookrunner and lead manager for the Offer is DBS Bank Ltd. (the "Lead Manager").

A copy of this Offer Information Statement has been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Bonds being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Bonds on the Main Board of the SGX-ST, subject to certain conditions. The Bonds will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including the Global Certificate (as defined herein) relating thereto having been issued.

Approval in-principle granted by the SGX-ST and the listing of and quotation for the Bonds are not to be taken as an indication of the merits of the Issuer, the Guarantor and any of the subsidiaries of the Guarantor (the Guarantor and its subsidiaries together, the "Group"), the Bonds or the Offer. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer of the Bonds and the Guarantee, and the Bonds and the Guarantee may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. **The Bonds and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States and subject to certain exceptions, may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the United States (as defined in Regulation S under the Securities Act ("Regulation S")).** The Bonds and the Guarantee are being delivered or offered and sold outside the United States in offshore transactions in reliance on Regulation S.

No Bonds shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgment of this Offer Information Statement.

Investing in the Bonds involves risks that are described on pages 19 to 61 of this Offer Information Statement.

#### OFFER OF UP TO S\$200 MILLION BONDS COMPRISING THE INITIAL BONDS OF:

- (A) UP TO S\$100 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF CALLABLE STEP-UP BONDS DUE 2022 AT THE ISSUE PRICE OF 100 PER CENT. TO THE PUBLIC IN SINGAPORE THROUGH ELECTRONIC APPLICATIONS (AS DEFINED HEREIN) (THE "PUBLIC OFFER"); AND
- (B) UP TO S\$100 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF CALLABLE STEP-UP BONDS DUE 2022 AT THE ISSUE PRICE OF 100 PER CENT. TO INSTITUTIONAL AND OTHER INVESTORS (THE "PLACEMENT"),

TO BE ISSUED BY CAPITAMALLS ASIA TREASURY LIMITED AND UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY CAPITAMALLS ASIA LIMITED PROVIDED THAT:

- (I) IN THE EVENT OF OVERSUBSCRIPTION, THE ISSUER SHALL HAVE THE RIGHT, IN CONSULTATION WITH THE LEAD MANAGER, TO ISSUE UP TO AN ADDITIONAL S\$200 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF OPTIONAL BONDS AT THE ISSUE PRICE OF 100 PER CENT. TO SATISFY THE EXCESS DEMAND, WHICH SHALL BE ALLOCATED TO THE PUBLIC OFFER AND/OR THE PLACEMENT IN SUCH MANNER AS THE LEAD MANAGER, IN CONSULTATION WITH THE ISSUER AND THE GUARANTOR, DEEMS FIT; AND
- (II) THE AGGREGATE PRINCIPAL AMOUNT OF BONDS TO BE ISSUED SHALL NOT EXCEED S\$400 MILLION.

The Issue Price (as defined herein) of the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds).

Applications under the Public Offer and the Placement may only be submitted during the time periods described below (or such other time periods as the Issuer at its discretion may, with the approval of SGX-ST (if required) and the agreement of the Lead Manager, decide).

	Opening date and time	Closing date and time
Public Offer via Electronic Application	4 January 2012 at 9.00 a.m.	9 January 2012 at 2.00 p.m.
Placement	3 January 2012 at 2.00 p.m.	9 January 2012 at 2.00 p.m.

Applications for the Bonds may be made through ATMs of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited ("OCBC Bank") and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (collectively the "UOB Group") and internet banking websites of DBS Bank Ltd. and UOB Group at <http://www.dbs.com> and <http://www.uobgroup.com>.

Sole bookrunner and lead manager of the Offer



## NOTICE TO INVESTORS

Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in the section entitled “Definitions” of this Offer Information Statement.

**Applications for the Bonds under the Public Offer must be made by way of Electronic Application.** Prospective investors who wish to apply for the Bonds under the Public Offer must have a direct Securities Account with CDP. Please refer to Appendix I entitled “Terms, Conditions and Procedures for Application and Acceptance” of this Offer Information Statement for more information.

The Bonds are not eligible for inclusion under the CPF Investment Scheme. The Bonds are also not eligible under the Supplementary Retirement Scheme (“**SRS**”). Accordingly, prospective investors **CANNOT** use their CPF Funds or SRS Funds to apply for the initial offer of the Bonds or to later purchase the Bonds.

This Offer Information Statement has been prepared solely for the purpose of the Offer. Persons wishing to subscribe for the Bonds offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, risk factors, and performance and prospects of the Issuer, the Guarantor and the Group and the rights and liabilities attaching to the Bonds. They should make, and shall be deemed to have made, their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their business, legal, financial, tax or other professional advisers before deciding whether to subscribe for the Bonds.

Prospective investors should read the section entitled “Risk Factors” on pages 19 to 61 of this Offer Information Statement and in particular, the sub-section entitled “Risks Associated with an Investment in the Bonds”.

None of the Issuer, the Guarantor and the Lead Manager makes any representation to any person regarding the legality of an investment in the Bonds by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each investor shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of each of the Issuer, the Guarantor and the Group. The Trust Company (Asia) Limited (the “**Trustee**”) shall not at any time have any responsibility for the financial condition, creditworthiness, condition, affairs, status and nature of each of the Issuer, the Guarantor and any other member of the Group and each investor shall not rely on the Trustee in respect thereof.

No person is or has been authorised by the Issuer, the Guarantor or the Lead Manager to give any information or to make any representation, other than those contained in this Offer Information Statement, in connection with the issue of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or the Lead Manager. Nothing contained herein is, or may be relied upon as, a promise or representation to any person as to the future performance or prospects of the Issuer, the Guarantor or any other member of the Group. Neither the delivery of this Offer Information Statement nor the issue of the Bonds shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Issuer, the Guarantor or any other member of the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, the Issuer may, through the Guarantor, make an announcement of the same via SGXNET

and, if required, lodge a supplementary or replacement document with the Authority. All investors should take note of any such announcement or supplementary or replacement document and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Each of the Lead Manager, the Trustee and the Agents makes no representation, warranty or recommendation whatsoever as to the merits of the Issuer, the Guarantor, any other member of the Group, the Bonds or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to purchase or subscribe for the Bonds.

Any action an investor may wish to take against the Issuer and/or the Guarantor in accordance with the terms and conditions of the Bonds will require the cooperation of the Trustee. Investors may have no right of direct action against the Issuer and/or the Guarantor and investors will need to contact the Trustee to take action against the Issuer and/or the Guarantor on their behalf in accordance with the terms of the Trust Deed (as defined below).

The Bonds do not represent deposits with or other liabilities of the Lead Manager, the Trustee, the Agents or any of their respective related corporations or any other entity. Repayment under the Bonds is not secured by any means. The Lead Manager does not in any way stand behind the capital value or performance of the Bonds. Neither the Issuer nor the Guarantor is in the business of deposit-taking and each of them does not hold itself out as accepting deposits nor will it accept deposits on a day-to-day basis. Neither the Issuer nor the Guarantor is subject to the supervision of and is not regulated or authorised by the Authority.

This Offer Information Statement and the accompanying documents may not be used for the purpose of, and does not constitute, an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Prospective investors or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions. Please refer to the section entitled “Subscription and Sale” of this Offer Information Statement for further information.**

Selected financial data from the audited income statements of the Group for the financial years ended 31 December 2008, 31 December 2009 and 31 December 2010 have been extracted and set out in Appendix B of this Offer Information Statement and selected financial data from the audited balance sheets of the Group as at 31 December 2008, 31 December 2009 and 31 December 2010 and selected financial data from the audited statements of cash flows of the Group for the financial years ended 31 December 2008, 31 December 2009 and 31 December 2010 have been respectively set out in Appendices C and D of this Offer Information Statement.

Selected financial data from the unaudited income statements of the Group for the nine months ended 30 September 2011, selected financial data from the unaudited balance sheet of the Group as at 30 September 2011 and selected financial data from the unaudited statement of cash flows of the Group for the nine months ended 30 September 2011 have been set out in Appendix E of this Offer Information Statement.

Selected financial data from the audited income statement of the Issuer for the financial year ended 31 December 2010, selected financial data from the audited balance sheet of the Issuer as at 31 December 2010 and selected financial data from the audited statement of cash flows of the Issuer for

the financial year ended 31 December 2010 have been respectively set out in Appendices F, G and H of this Offer Information Statement.

Such selected financial data of the Group should be read together with the relevant notes to the respective audited or unaudited (as the case may be) financial statements, which are available on the website of CapitaMalls Asia at <http://www.capitamallsasia.com>. A copy of the annual report for the financial year ended 31 December 2010 is also available on the website of CapitaMalls Asia.

The information contained on the website of CapitaMalls Asia does not constitute part of this Offer Information Statement.

**Prospective investors are advised to obtain and read the audited and unaudited financial statements (including the relevant notes) before making any investment decision in relation to the Bonds.**

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Issuer, the Guarantor or their respective Directors, officers or employees acting on their respective behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, operating results, business strategies, plans and prospects of the Issuer, the Guarantor and/or the Group (including statements as to the Issuer’s, the Guarantor’s and/or the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts and including the statements as to the expansion plans of the Issuer, the Guarantor and/or the Group, expected growth in the Issuer, the Guarantor and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s, the Guarantor’s or the Group’s actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer, the Guarantor and/or the Group.

Given the risks, uncertainties and other factors that may cause the actual future results, performance or achievements of the Issuer, the Guarantor or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on those statements. The Issuer’s, the Guarantor’s or the Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. None of the Issuer, the Guarantor, the Lead Manager, the Trustee, the Agents or any other person represents or warrants that the Issuer’s, the Guarantor’s or the Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, each of the Issuer, the Guarantor, the Lead Manager, the Trustee and the Agents disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, the Issuer may, through the Guarantor, make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

Important factors concerning an investment in the Bonds or that could cause actual results to differ materially from the expectations of the Issuer and/or the Guarantor are discussed in the section entitled “Risk Factors” of this Offer Information Statement.

## DEFINITIONS

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

<b>“Agency Agreement”</b>	:	The Agency Agreement to be entered into between (i) the Issuer, (ii) the Guarantor, (iii) the Paying Agent, (iv) the Registrar and (v) the Trustee, as amended, varied or supplemented from time to time
<b>“Agents”</b>	:	The Paying Agent and the Registrar
<b>“ATM”</b>	:	Automated teller machine
<b>“ATM Electronic Application”</b>	:	Application for the Bonds made by way of ATMs belonging to the relevant Participating Bank in accordance with the terms and conditions of this Offer Information Statement
<b>“Authority”</b>	:	Monetary Authority of Singapore
<b>“Bondholders”</b>	:	A person in whose name a Bond is registered (or, in the case of joint holders, the first named thereof)
<b>“Bonds”</b>	:	The Initial Bonds and the Optional Bonds, and <b>“Bond”</b> means any of them
<b>“Business Day”</b>	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore
<b>“CapitaLand”</b>	:	CapitaLand Limited, a controlling shareholder of CapitaMalls Asia which holds approximately 65.48% of the issued share capital in CapitaMalls Asia as at the Latest Practicable Date
<b>“CapitaLand Group”</b>	:	CapitaLand and its subsidiaries (excluding the Group)
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Chao Tian Men Site”</b>	:	The whole of the parcel of land in the PRC at Chao Tian Men, Yuzhong District, Chongqing known as Yuzhong District Area D No. 4-1/02
<b>“China Development Fund II”</b>	:	CapitaMalls China Development Fund II (formerly known as CapitaRetail China Development Fund II), an associate of CapitaMalls Asia which is a private real estate fund with 45% of its issued units owned by CapitaMalls Asia as at the Latest Practicable Date
<b>“China Income Fund”</b>	:	CapitaMalls China Income Fund (formerly known as CapitaRetail China Development Fund), an associate of CapitaMalls Asia which is a private real estate fund with 45% of its issued units owned by CapitaMalls Asia as at the Latest Practicable Date

<b>“China Incubator Fund”</b>	:	CapitaMalls China Incubator Fund (formerly known as CapitaRetail China Incubator Fund), an associate of CapitaMalls Asia which is a private real estate fund with 30% of its issued units owned by CapitaMalls Asia as at the Latest Practicable Date
<b>“Closing Date”</b>	:	2.00 p.m. on 9 January 2012 (or such other time(s) and/or date(s) as may be announced from time to time by the Guarantor on behalf of the Issuer subsequent to the date of this Offer Information Statement), being the last time and date for application for the Bonds under the Public Offer and the Placement
<b>“CMMT”</b>	:	CapitaMalls Malaysia Trust, an associate of CapitaMalls Asia which is a REIT with 35.73% of its issued units owned by CapitaMalls Asia as at the Latest Practicable Date
<b>“CMT”</b>	:	CapitaMall Trust, an associate of CapitaMalls Asia which is a REIT with 28.54% of its issued units owned by CapitaMalls Asia as at the Latest Practicable Date
<b>“Collaboration Agreement”</b>	:	The collaboration agreement entered into between CapitaMalls Asia and CapitaLand dated 30 October 2009 as described in the section entitled “Risk Factors — Risks Relating to CapitaLand — CapitaMalls Asia’s business is significantly influenced by its relationship with CapitaLand”
<b>“Companies Act”</b>	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>“CPF”</b>	:	Central Provident Fund
<b>“CPF Funds”</b>	:	The CPF account savings of CPF members including the moneys under the CPF Investment Scheme
<b>“CRCT”</b>	:	CapitaRetail China Trust, an associate of CapitaMalls Asia which is a REIT with 27.00% of its issued units owned by CapitaMalls Asia as at the Latest Practicable Date
<b>“DBS Bank”</b>	:	DBS Bank Ltd.
<b>“DCSS”</b>	:	Debt Securities Cleaning and Settlement System
<b>“Deed of Covenant”</b>	:	A deed of covenant to be executed by the Issuer by way of deed poll in relation to the Bonds, as amended, varied or supplemented from time to time
<b>“EBIT”</b>	:	Earnings before interest and tax
<b>“Electronic Application”</b>	:	ATM Electronic Application and Internet Electronic Application
<b>“EMTN Programme”</b>	:	The S\$2,000,000,000 Euro-Medium Term Note Programme of the Issuer, which is unconditionally and irrevocably guaranteed by CapitaMalls Asia

<b>“FRS”</b>	:	Financial Reporting Standards
<b>“FY”</b>	:	Financial year ended 31 December
<b>“GDP”</b>	:	Gross domestic product
<b>“GFA”</b>	:	Gross floor area
<b>“Global Certificate”</b>	:	The global certificate representing the Bonds and containing provisions which apply to the Bonds
<b>“greenfield”</b>	:	The term used to refer to a plot of land that is completely undeveloped, with no existing structure or building. A greenfield development is typically a new construction project
<b>“gross revenue”</b>	:	The total amount payable by all tenants/licencees pursuant to a lease or license which includes, rents, fees payable under a lease or licence agreement, and service charges and carpark and other income
<b>“Group”</b>	:	CapitaMalls Asia and its subsidiaries
<b>“Guarantee”</b>	:	The guarantee and indemnity of the Guarantor contained in the Trust Deed, as amended, varied or supplemented from time to time
<b>“Guarantor” or “CapitaMalls Asia”</b>	:	CapitaMalls Asia Limited
<b>“HKEx”</b>	:	The Stock Exchange of Hong Kong Limited
<b>“HKEx Listing Rules”</b>	:	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Hong Kong”</b>	:	Hong Kong Special Administrative Region of the PRC
<b>“IB”</b>	:	Internet banking
<b>“India Development Fund”</b>	:	CapitaMalls India Development Fund (formerly known as CapitaRetail India Development Fund), an associate of CapitaMalls Asia which is a private real estate fund with 45.45% of its issued units owned by CapitaMalls Asia as at the Latest Practicable Date
<b>“Initial Bonds”</b>	:	Up to S\$200 million in aggregate principal amount of callable step-up bonds due 2022
<b>“Interest Payment Dates”</b>	:	12 January and 12 July in each year as the dates for payment of interest for the Bonds, and each an <b>“Interest Payment Date”</b>
<b>“Internet Electronic Application”</b>	:	Application for the Bonds made by way of the IB websites of DBS Bank and UOB Group in accordance with the terms and conditions of this Offer Information Statement

<b>“IPO”</b>	:	The initial public offering of the shares of CapitaMalls Asia on 17 November 2009
<b>“Issue Date”</b>	:	The date of issue of the Bonds, expected to be 12 January 2012
<b>“Issue Price”</b>	:	The issue price of the Bonds, which is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds)
<b>“Issuer”</b>	:	CapitaMalls Asia Treasury Limited
<b>“ITA”</b>	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
<b>“Japan Fund”</b>	:	CapitaMalls Japan Fund Pte. Ltd. (formerly known as CapitaRetail Japan Fund Private Limited), an associate of CapitaMalls Asia which is a private real estate fund with 26.29% of its issued shares owned by CapitaMalls Asia as at the Latest Practicable Date
<b>“Latest Practicable Date”</b>	:	27 December 2011, being the latest practicable date prior to the lodgment of this Offer Information Statement
<b>“Lead Manager”</b>	:	DBS Bank as the sole bookrunner and lead manager for the Offer
<b>“Licence Agreement”</b>	:	The licence agreement dated 30 October 2009 entered into between CapitaMalls Asia and CapitaLand as described in the section “Risk Factors — Risks Relating to CapitaLand — CapitaMalls Asia may have to pay to use or may not be able to use the “Capita” name and related marks and logos”
<b>“Listing Manual” or “SGX Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended or modified from time to time
<b>“Management and Placement Agreement”</b>	:	The management and placement agreement dated 3 January 2012 between (i) the Issuer, (ii) the Guarantor and (iii) the Lead Manager, as amended, varied or supplemented from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Master Depository Services Agreement”</b>	:	A Master Depository Services Agreement in relation to the Bonds to be entered into between the Issuer and CDP, as the depository, as amended, varied or supplemented from time to time
<b>“Maturity Date”</b>	:	The maturity date of the Bonds, expected to be 12 January 2022
<b>“MOFCOM”</b>	:	Ministry of Commerce of the People’s Republic of China
<b>“NLA”</b>	:	Net lettable area

<b>“NPI”</b>	:	Net property income, being gross revenue less property expenses
<b>“occupancy rate”</b>	:	The ratio of a property’s occupied floor area to the property’s total floor area
<b>“Offer”</b>	:	Up to S\$200 million in aggregate principal amount of Initial Bonds (being S\$200 million in aggregate principal amount of callable step-up bonds due 2022) subject to increase by up to an additional S\$200 million in aggregate principal amount of the Optional Bonds (being S\$200 million in aggregate principal amount of callable step-up bonds due 2022) at the discretion of the Issuer, in consultation with the Lead Manager, in the event of oversubscription, and subject to the Issuer’s right to cancel the Offer in the event that less than S\$50 million in aggregate principal amount in applications are received for the Bonds
<b>“Offer Information Statement”</b>	:	This document, including any supplementary or replacement document issued by the Issuer in connection with the Bonds
<b>“Optional Bonds”</b>	:	Up to an additional S\$200 million in aggregate principal amount of callable step-up bonds due 2022 to be issued by the Issuer, in consultation with the Lead Manager, in the event of oversubscription of the Initial Bonds
<b>“Optional Redemption Dates”</b>	:	12 January 2017, 12 January 2018, 12 January 2019, 12 January 2020 and 12 January 2021, or if any such date falls on a day which is not a Business Day, such date shall be postponed to the immediately following Business Day and <b>“Optional Redemption Date”</b> means any such date
<b>“Participating Banks”</b>	:	(i) DBS Bank (including POSB), (ii) OCBC Bank and (iii) United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (collectively <b>“UOB Group”</b> )
<b>“PATMI”</b>	:	Profit after tax and minority interests
<b>“Paying Agent”</b>	:	DBS Bank, acting in its capacity as the paying agent for the Bonds
<b>“Placement”</b>	:	The offering of the Bonds to institutional and other investors, outside the United States in reliance on Regulation S
<b>“Placement Bonds”</b>	:	Bonds offered under the Placement
<b>“PRC” or “China”</b>	:	The People’s Republic of China, excluding Hong Kong Special Administrative Regions ( <b>“SAR”</b> ), Macau SAR and Taiwan for the purposes of this Offer Information Statement
<b>“property expenses”</b>	:	Consists of property tax, property manager’s fees, maintenance expenses and other property expenses, but excluding depreciation of properties

<b>“Public Offer”</b>	:	The offering of the Bonds to the public in Singapore through Electronic Application
<b>“Public Offer Bonds”</b>	:	Bonds offered under the Public Offer
<b>“Registrar”</b>	:	DBS Bank, acting in its capacity as the registrar for the Bonds
<b>“Regulation S”</b>	:	Regulation S under the Securities Act
<b>“REIT”</b>	:	Real estate investment trust
<b>“SAFE”</b>	:	State Administration of Foreign Exchange of the PRC
<b>“SEC”</b>	:	U.S. Securities and Exchange Commission
<b>“Securities Account”</b>	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
<b>“Securities Act”</b>	:	The U.S. Securities Act of 1933, as amended, modified or supplemented from time to time, and the rules and regulations of the SEC promulgated thereunder
<b>“SFA”</b>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SFR”</b>	:	Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended or modified from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the capital of CapitaMalls Asia
<b>“Sixteenth Schedule section”</b>	:	The section entitled “Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005” of this Offer Information Statement
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Funds”</b>	:	Moneys contributed to SRS accounts under the SRS
<b>“Terms and Conditions”</b>	:	The terms and conditions of the Bonds to be set out in the Trust Deed, the text of which (subject to completion and amendment) is set out in the section entitled “Terms and Conditions of the Bonds”
<b>“Trust Deed”</b>	:	The Trust Deed to be executed by, <i>inter alia</i> , the Issuer and the Guarantor to constitute the Bonds and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of Bondholders
<b>“Trustee”</b>	:	The Trust Company (Asia) Limited, acting in its capacity as trustee for the Bondholders

“U.S.” or “the United States”	:	United States of America
“RM”	:	Ringgit Malaysia, the lawful currency of Malaysia
“RMB” or “Renminbi”	:	Renminbi, the lawful currency of China
“\$”, “S\$”, “Singapore Dollars” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“US\$” or “U.S. Dollar”	:	United States dollars, the lawful currency of the United States
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**” and “**Depository Agent**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “**subsidiary**” shall have the meaning ascribed to it by Section 5 of the Companies Act.

The term “**Bondholder**” as used in this Offer Information Statement shall mean the person in whose name a Bond is registered (or, in the case of joint holders, the first named thereof) or, as the context may require, an individual investor in the Bonds.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the SFA, the SFR or the Listing Manual or any amendment or modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the SFR or the Listing Manual or such amendment or modification thereof, as the case may be.

Any discrepancies in the tables in this Offer Information Statement between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

## SUMMARY OF THE OFFER AND THE BONDS

The following is a summary of the principal terms and conditions of the Bonds and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

### The Offer

**Issuer** : CapitaMalls Asia Treasury Limited.

**Guarantor** : CapitaMalls Asia.

The payment obligations of the Issuer under the Trust Deed or the Bonds are irrevocably and unconditionally guaranteed by the Guarantor.

**Sole Bookrunner and Lead Manager** : DBS Bank.

**Offer** : Up to S\$200 million in aggregate principal amount of Initial Bonds comprising:

(A) up to S\$100 million in aggregate principal amount of callable step-up bonds due 2022 at the issue price of 100 per cent. to the public in Singapore through Electronic Applications; and

(B) up to S\$100 million in aggregate principal amount of callable step-up bonds due 2022 at the issue price of 100 per cent. to institutional and other investors,

subject to the Issuer's right to cancel the Offer in the event that less than S\$50 million in aggregate principal amount in applications are received for the Bonds, and

PROVIDED THAT (I) in the event there is oversubscription for the offer of the Initial Bonds, the Issuer shall have the right, in consultation with the Lead Manager, to issue the Optional Bonds, (being up to an additional S\$200 million in aggregate principal amount of callable step-up bonds due 2022) at the issue price of 100 per cent. to satisfy the excess demand, which shall be allocated to the Public Offer and/or the Placement in such manner as the Lead Manager, in consultation with the Issuer and the Guarantor, deems fit and (II) the aggregate principal amount of Bonds to be issued shall not exceed S\$400 million.

The timetable of the Offer may be extended, shortened or modified by the Issuer to such duration as it may think fit, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, and subject to any limitation under any applicable laws.

**Public Offer** : Up to S\$100 million in aggregate principal amount of Bonds offered at the Issue Price to the public in Singapore by way of Electronic Application, subject to increase and/or re-allocation between the Public Offer and the Placement as described in "Re-allocation and Increase of Offer Size" below.

**Placement** : Up to S\$100 million in aggregate principal amount of the Bonds offered at the Issue Price to institutional and other investors outside the United States in reliance on Regulation S, subject to increase and/or re-allocation between the Public Offer and the Placement as described in “Re-allocation and Increase of Offer Size” below.

**Re-allocation and Increase of Offer Size** : The aggregate principal amount of Initial Bonds offered under each of the Public Offer and the Placement is subject to re-allocation in certain circumstances between the Public Offer and the Placement and may not reflect the actual aggregate principal amount of Initial Bonds that will be allocated under the Public Offer or the Placement, as the case may be.

The actual aggregate principal amount of Initial Bonds to be allocated between the Public Offer and the Placement will be finalised on or prior to the Issue Date.

If the offer of the Initial Bonds is oversubscribed, the Issuer shall have the right, in consultation with the Lead Manager, to issue the Optional Bonds (being up to an additional S\$200 million in aggregate principal amount of callable step-up bonds due 2022) at the issue price of 100 per cent. to satisfy the excess demand, which shall be allocated to the Public Offer and/or the Placement in such manner as the Lead Manager, in consultation with the Issuer and the Guarantor, deems fit.

Unless indicated otherwise, all information in this Offer Information Statement illustrating the issue of Optional Bonds assumes that the Optional Bonds (if issued) will be issued in full.

**Application and Payment Procedures** : Applications for the Bonds under the Public Offer must be made by way of Electronic Application. Applications for the Bonds under the Placement must be made directly through the Lead Manager, who will determine, at its discretion, the manner and method for applications under the Placement. More details can be found in “Terms, Conditions and Procedures for Application and Acceptance” in Appendix I of this Offer Information Statement. The Bonds will be issued in denominations of S\$1,000 each. An application for the Bonds must be made in respect of (i) a minimum of S\$2,000 in principal amount of Bonds per application under the Public Offer and (ii) a minimum of S\$50,000 in principal amount of Bonds per application under the Placement, or, in each case, higher amounts in integral multiples of S\$1,000 thereof.

The Issuer and the Lead Manager reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications.

Applications for the Bonds under the Public Offer may be made from 9.00 a.m. on 4 January 2012 to 2.00 p.m. on 9 January 2012 (or such other time(s) and/or date(s) as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, decide). Please refer to the section entitled

“Expected Timetable of Key Events” for more details. Prospective investors applying for the Bonds under the Public Offer must do so by way of Electronic Application and follow the application procedures set out in “Additional Terms and Conditions for Electronic Application” in Appendix I of this Offer Information Statement.

Applications for the Bonds under the Placement may be made from 2.00 p.m. on 3 January 2012 to 2.00 p.m. on 9 January 2012 (or such other time(s) and/or date(s) as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, decide). Please refer to the section entitled “Expected Timetable of Key Events” for more details. Prospective investors applying for the Bonds under the Placement must get in touch with the Lead Manager directly.

**Non-Usage of CPF Funds and SRS Funds** : The Bonds are not eligible for inclusion under the CPF Investment Scheme. The Bonds are also not SRS eligible. Accordingly, prospective investors CANNOT use their CPF Funds or SRS Funds to pay the Issue Price to subscribe for the Bonds or to purchase the Bonds later.

## The Bonds

**Issue Size** : Up to S\$200 million in aggregate principal amount of Initial Bonds (being S\$200 million in aggregate principal amount of callable step-up bonds due 2022), subject to increase by up to an additional S\$200 million of the Bonds, being the Optional Bonds, at the discretion of the Issuer, in consultation with the Lead Manager, in the event of oversubscription for the Initial Bonds, and subject to the Issuer’s right to cancel the Offer in the event that less than S\$50 million in aggregate principal amount in applications are received for the Bonds.

**Issue Price** : S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). The Public Offer Bonds under the Public Offer are payable in full upon application while the Placement Bonds under the Placement are payable in full on or about the Issue Date unless otherwise agreed by the Issuer and the Lead Manager.

**Maturity Date** : Unless previously redeemed or purchased and cancelled, the Bonds have a term of 10 years and will mature on 12 January 2022. If the date for payment in respect of the Bonds is not a Business Day, then such date shall be postponed to the immediately following Business Day.

**Interest** : Initial and Step-Up Interest Rates: Each Bond will initially bear interest on its outstanding principal amount from 12 January 2012 at the rate of 3.80 per cent. per annum, payable semi-annually in arrear on 12 January and 12 July in each year (i.e. the Interest Payment Dates). If the Bonds are not redeemed or purchased and cancelled, the rate of interest from 12 January 2017 (the “**Interest Step-Up Date**”) will be reset in accordance with the manner set out below.

Interest Step-Up: If the Bonds are not redeemed or purchased and cancelled, the rate of interest payable from the Interest Step-Up Date will be reset to a fixed rate equal to 4.50 per cent. per annum, from and including the Interest Step-Up Date to but excluding the Maturity Date, payable semi-annually in arrear on each Interest Payment Date.

For an illustrative example, please see the section entitled “How the Bonds Work”.

**Interest Payment Dates** : 12 January and 12 July in each year. If the date for payment in respect of the Bonds is not a Business Day, then such date shall be postponed to the immediately following Business Day.

**Form and Denomination** : The Bonds will be issued in registered form in denominations of S\$1,000 each or integral multiples thereof and will be represented on issue by the Global Certificate registered in the name of CDP and deposited with CDP. Except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of the Bonds. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.

**Status of the Bonds and Guarantee** : The Bonds 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 Bonds and of the Guarantor under the 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.

**Redemption at Maturity** : Unless previously redeemed or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem the Bonds at 100 per cent. of their principal amount on the Maturity Date.

**Redemption for Taxation Reasons** : The Issuer may redeem all (but not some only) of the Bonds early if it becomes obliged to pay any additional amounts for taxation reasons as set out in the Terms and Conditions.

**Redemption at the Option of the Issuer** : The Issuer may redeem the Bonds in whole or in part on any Optional Redemption Date (as defined below), together with interest accrued to the date fixed for redemption, provided that the aggregate principal amount of Bonds to be redeemed shall not be less than S\$10,000,000 in respect of each redemption (other than the final redemption).

In the event of a partial redemption, a *pro rata* portion of the outstanding principal amount of each Bond will be redeemed or in such other manner as the Issuer shall deem to confer equal

treatment to all Bondholders (which includes but is not limited to the drawing of lots) and notified to Bondholders pursuant to Condition 15, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements and for so long as any of the Bonds is represented by the Global Certificate held by CDP, in the manner governed by the standard operating rules and procedures of CDP.

For an illustrative example, please see the section entitled “How the Bonds Work”.

“**Optional Redemption Dates**” means 12 January 2017, 12 January 2018, 12 January 2019, 12 January 2020 and 12 January 2021, or if any such date falls on a day which is not a Business Day, such date shall be postponed to the immediately following Business Day and “**Optional Redemption Date**” means any such day.

**Purchases** : The Issuer, the Guarantor or any of the subsidiaries of the Guarantor may at any time purchase the Bonds in the open market or otherwise at any price. Such Bonds may at the option of the Issuer, the Guarantor or any such subsidiary, be held, resold or cancelled.

**Clearing and Settlement** : The Bonds will be represented by the Global Certificate. The Bonds will be held in book-entry form (by delivery of the Global Certificate to CDP) pursuant to the rules of the SGX-ST and CDP.

**Listing of the Bonds** : The SGX-ST has granted its in-principle approval for the listing of and quotation for the Bonds on the Main Board of the SGX-ST, subject to certain conditions.

Approval in-principle granted by the SGX-ST and the listing of and quotation for the Bonds are not to be taken as an indication of the merits of the Issuer, the Guarantor, any other member of the Group, the Bonds or the Offer. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement.

**Trading of the Bonds** : Upon the listing of and quotation for the Bonds on the Main Board of the SGX-ST, the Bonds, when issued, will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Bonds effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited”, as the same may be amended from time to time. Copies of the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of the Bonds will comprise S\$1,000 in principal amount of the Bonds.

As for the Placement, the Bonds may also be traded over-the-counter on the Debt Securities Clearing and Settlement System (“DCSS”).

- Taxation** : All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be paid free and clear of and without set-off, counterclaim, deduction or withholding for or on account of, any present or future taxes, duties, assessments or other charges of whatever nature, imposed by Singapore or by any political sub-division or taxing authority thereof or therein, and all interest, penalties or similar liabilities arising out of any failure by the Issuer or the Guarantor to so deduct or withhold with respect thereto (“**Taxes**”). If any Taxes are required by law to be deducted or withheld in connection with any such payment, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in receipt by the payee of such amounts as would have been received by them if no such deduction or withholding had been required, except that no such additional amounts shall be payable in respect of any certificate presented for payment in certain circumstances as set out in the Terms and Conditions.
- For further details, see the section entitled “Taxation”.
- Events of Default** : Please see Condition 9 of the Terms and Conditions (at pages 79 to 80 of this Offer Information Statement) for more details.
- Trustee** : The Trust Company (Asia) Limited.
- Registrar** : DBS Bank.
- Paying Agent** : DBS Bank.
- Governing Law** : The Bonds shall be governed by, and construed in accordance with, the laws of Singapore.
- Selling Restrictions** : Restrictions apply to offers, sales or transfers of the Bonds in various jurisdictions. In all jurisdictions, offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction. For a description of certain restrictions on the offer and issue of the Bonds and the distribution of offering material relating to the Bonds, see the section entitled “Subscription and Sale” for more information.
- Place of Booking** : Singapore. The office of the Issuer at which the issue of the Bonds will be booked is not subject to regulation or supervision by the Authority in Singapore.

## HOW THE BONDS WORK

### Illustrative Examples

*The examples depicted below are purely illustrative and should not be construed as any prediction, projection or forecast as to the future or likely actions to be taken by the Issuer.*

#### **(A) Interest Step-Up**

Each Bond will initially bear interest on its outstanding principal amount from 12 January 2012 at a rate of 3.80 per cent. per annum, payable semi-annually in arrear on 12 January and 12 July in each year.

Under Condition 4(b), it is provided that if the Bonds are not redeemed or purchased and cancelled, the rate of interest from 12 January 2017 will be reset to a fixed rate equal to 4.50 per cent. per annum, from and including 12 January 2017 to but excluding the Maturity Date, payable semi-annually in arrear on each Interest Payment Date.

#### Illustrative Example

The following example illustrates a possible scenario where the Bonds are not redeemed on 12 January 2017.

Suppose a Bondholder holds a total of S\$10,000 in principal amount of Bonds. The total interest accrued and payable (in two instalments) on S\$10,000 in principal amount of Bonds for the period commencing on (and including) 12 January 2016 and ending on (but excluding) 12 January 2017 will be S\$380.

In view of the step-up in interest payable on and after 12 January 2017, the total interest accrued and payable (in two instalments) on S\$10,000 in principal amount of Bonds for the period commencing on (and including) 12 January 2017 and ending on (but excluding) 12 January 2018 will be S\$450.

#### **(B) Partial Redemption of the Bonds**

Under Condition 5(c), the Issuer has the right to redeem the Bonds at par in whole or in part yearly on each Optional Redemption Date. In the event of a partial redemption, a *pro rata* portion of the outstanding principal amount of each Bond will be redeemed or in such other manner as the Issuer shall deem to confer equal treatment to all Bondholders (which includes but is not limited to the drawing of lots) and notified to Bondholders pursuant to Condition 15, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements and for as long as any of the Bonds is represented by the Global Certificate held by CDP, in the manner governed by the standard operating rules and procedures of CDP.

The notice of partial redemption to Bondholders will specify the manner in which the Bonds will be partially redeemed, the portion of the outstanding principal amount of each Bond to be redeemed and any further applicable procedures relating to the partial redemption. Please refer to pages 12 and 13 of this Offer Information Statement.

### Illustrative Example

The following example illustrates a possible scenario where the Issuer exercises the abovementioned right of redemption on a *pro rata* basis.

Suppose a Bondholder holds a total of S\$2,000 in principal amount of Bonds. In the event that the Issuer exercises its rights under Condition 5(c) and proceeds to redeem 40% of the total outstanding principal amount of Bonds on a *pro rata* basis, the Bondholder's total holdings in the Bonds will be reduced from S\$2,000 to S\$1,200 following such partial redemption.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Bonds will comprise S\$1,000 in principal amount of Bonds. Where Bondholders hold odd lots (i.e. less than S\$1,000 in principal amount of Bonds) following such partial redemption, the Issuer and Guarantor may, at their discretion, apply for and obtain the approval of the SGX-ST for the establishment of a temporary counter to facilitate the trading of such odd lots. Should such an odd lot counter be created, the Issuer will, through the Guarantor, publicly announce the creation of such a temporary counter when it is created, and any other information in relation to the trading of the said odd lots.

## WHERE TO OBTAIN FURTHER INFORMATION

If you have questions, please contact DBS Bank at the numbers set out below, which are available 24 hours a day, seven days a week from the date of this Offer Information Statement until the Closing Date, being 2.00 p.m. on 9 January 2012.

DBS Bank

Tel: 1800 111 1111  
(DBS Bank)

Tel: 1800 339 6666  
(POSB)

Please note that the applicable rules and regulations in Singapore do not allow the persons manning the above numbers to give advice on the merits of the Offer, the Bonds, the Issuer, the Guarantor or any other member of the Group or to provide investment, business, financial, legal or tax advice. If you are in any doubt as to what action you should take, please consult your business, legal, tax, financial or other professional advisers.

A printed copy of this Offer Information Statement may be obtained on request, subject to availability, during operating hours from selected branches of DBS Bank (including POSB). A copy of this Offer Information Statement is also available on the Authority's OPERA website at <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>.

## EXPECTED TIMETABLE OF KEY EVENTS

Lodgment of the Offer Information Statement	: <b>3 January 2012</b>
Opening date and time for applications for the Bonds under the Placement	: <b>3 January 2012 at 2.00 p.m.</b>
Opening date and time for applications for the Bonds under the Public Offer	: <b>4 January 2012 at 9.00 a.m.</b>
Last date and time for applications for the Bonds under the Placement	: <b>9 January 2012 at 2.00 p.m.</b>
Last date and time for applications for the Bonds under the Public Offer	: <b>9 January 2012 at 2.00 p.m.</b>
Balloting of applications for the Bonds under the Public Offer, if necessary (in the event of an oversubscription of the Bonds under the Public Offer). Commence returning or refunding application moneys to unsuccessful or partially successful applicants	: <b>11 January 2012</b>
Expected Issue Date of the Bonds	: <b>12 January 2012</b>
Expected date of commencement of trading of the Bonds on the Main Board of the SGX-ST	: <b>13 January 2012</b>

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Issuer does not expect the above timetable to be modified. However, the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, extend, shorten or modify the above timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the Lead Manager, have the absolute discretion to close the Public Offer and/or the Placement early. The Issuer will, through the Guarantor, publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

## RISK FACTORS

*Prior to making an investment decision, prospective investors should carefully consider all the information set forth in this Offer Information Statement including the following risk factors that may affect the business, operational results, financial position, performance or prospects of the Issuer, the Guarantor or the Group. As the market value of the Bonds is affected by, amongst other things, interest rates, liquidity, exchange rates and the Guarantor's and/or the Group's business performance, these risk factors could have an effect on the value of the Bonds. The Bonds are thus not considered to be risk-free. The risk factors set out below do not purport to be an exhaustive or comprehensive list of all the risks that may be involved in the business of the Guarantor and/or the Group, or any decision to purchase, own or dispose of the Bonds. There may be additional risks which the Issuer and/or the Guarantor is currently unaware of which may also impair its, or the Group's, business, operational results, financial position, performance or prospects. Prospective investors are advised to consider the nature of their prospective investment in relation to all risks. If any of the following risk factors develop into actual events, the business, operational results, financial position, performance or prospects of the Issuer, the Guarantor and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer and/or the Guarantor to comply with its obligations under the Trust Deed and the Bonds may be adversely affected. These risk factors have been broadly classified as (1) risks relating to CapitaMalls Asia's general business and operations, (2) risks relating to CapitaMalls Asia's property business and the operation of CapitaMalls Asia's properties, (3) risks relating to CapitaMalls Asia's management business, (4) risks relating to the countries in which CapitaMalls Asia operates, (5) risks relating to CapitaMalls Asia's business activities in China, (6) risks relating to CapitaMalls Asia's business activities in Malaysia, (7) risks relating to CapitaMalls Asia's business activities in Japan, (8) risks relating to CapitaMalls Asia's business activities in India, (9) risks relating to CapitaLand and (10) risks associated with an investment in the Bonds.*

*Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Bonds but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Bonds for their particular circumstances.*

### **Limitations of this Offer Information Statement**

This Offer Information Statement is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Bonds only after he has determined that such investment is suitable for his investment objectives. Determining whether an investment in the Bonds is suitable is a prospective investor's responsibility. Neither this Offer Information Statement nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Bonds (or any part thereof) should be considered as a recommendation by the Issuer, the Guarantor, any other member of the Group or any person affiliated with each of them that any recipient of this Offer Information Statement or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Bonds.

Any recipient of this Offer Information Statement contemplating subscribing for or purchasing or selling any of the Bonds should determine for himself the relevance of the information contained in this Offer Information Statement and any such other document or information (or any part thereof), and his investment should be, and shall be deemed to be, based solely upon his own independent investigation of the financial condition and affairs, and his own appraisal of the creditworthiness of the Issuer, the Guarantor, any other member of the Group, the terms and conditions of the Bonds and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult his business, legal, tax and financial advisers prior to deciding to make an investment in the Bonds.

## **Factors that may affect each of the Issuer's and the Guarantor's ability to fulfill its obligations under or in connection with the Bonds**

### **1. RISKS RELATING TO CAPITAMALLS ASIA'S GENERAL BUSINESS AND OPERATIONS**

***CapitaMalls Asia currently operates in adverse conditions in the global financial markets and the general economy, which may adversely affect its business, financial condition, results of operations and prospects.***

Global financial markets have experienced and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries in Europe, the United States and elsewhere. The slowdown of the worldwide economy in 2008 and 2009 caused a decrease in property prices in the PRC and other places in which CapitaMalls Asia operates. The market volatility and uncertainty caused by the global financial crisis also contributed to a lower demand for properties and a decline in their rents or selling prices.

The outlook for financial markets and general economy around the world remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains high and recovery in the housing market remains subdued. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow or both. In the Middle East, political unrest in various countries has resulted in economic instability and uncertainty. Adverse consequences arising from uncertainties in the financial markets and the general economy around the world and/or in the region include, but are not limited to, the following:

- the inability of the tenants to pay their rents in a timely manner or to continue their leases, thus reducing CapitaMalls Asia's cash flow;
- decreases in valuations of shopping malls in which CapitaMalls Asia has an interest, resulting from deteriorating operating cash flow and/or widening capitalisation rates;
- decreases in rental or occupancy rates;
- a general increase in counterparty risk, resulting in defaults, non-payment and non-performance of essential services;
- the insolvency of contractors, resulting in construction delays;
- an increased likelihood that one or more of CapitaMalls Asia's lenders or insurers may be unable to honour their commitments; and
- excessive inflation in the countries in which CapitaMalls Asia operates, resulting in a reduction of its real income.

***CapitaMalls Asia operates in a capital intensive industry that relies on the availability of sizeable amounts of capital.***

As at 30 September 2011, CapitaMalls Asia has interests in and/or manages a pan-Asian portfolio of 96 retail properties (of which 26 projects are in various stages of development). CapitaMalls Asia expects to have significant funding needs for its existing business operations and to grow its business. CapitaMalls Asia intends to fund these requirements through a combination of its internal cash flows and resources, proceeds from the issue of new equity and borrowings.

There can be no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms. Factors that could affect CapitaMalls Asia's ability to procure financing include the property market's cyclical nature, any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could adversely affect the liquidity, interest rates and availability of any third-party capital funding sources. In addition, further consolidation in the banking industry may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to a particular company, sector or geography. CapitaMalls Asia's ability to obtain financing may also be adversely affected by increased caution and conservatism displayed by banks in the wake of the recent global financial crisis, as well as any governmental or other regulatory measures which have the effect of restricting borrowers' access to credit.

If the capital and credit markets continue to experience volatility and the availability of funds remains limited, credit spreads are expected to widen further, and financing costs are expected to increase. This will adversely affect CapitaMalls Asia's profitability and may reduce the level of distributions or dividends that CapitaMalls Asia may receive from its property investments. Moreover, it is possible that CapitaMalls Asia's ability to access the capital and credit markets may be limited at a time when it would like or need to do so, which could have a material and adverse impact on its ability to grow its business, refinance maturing debt, secure or maintain credit ratings or react to changing economic and business conditions. Furthermore, future credit facilities may contain covenants that limit CapitaMalls Asia's operating and financing activities and require the creation of security interests over assets. Therefore, CapitaMalls Asia's ability to meet payment obligations, refinance maturing debt and fund planned capital expenditure may depend solely on the success of its business strategy and its ability to generate sufficient revenue to satisfy its obligations, which are subject to many uncertainties and contingencies beyond its control, including those highlighted herein.

***CapitaMalls Asia faces risks inherent in concentrating its business in a single asset class and only in Asia.***

CapitaMalls Asia's principal business strategy is to develop, own and manage a portfolio of retail properties in Asia. All its properties are located in one of five countries: Singapore, China, Malaysia, Japan and India. More than half of its properties are located in China, and CapitaMalls Asia looks to expand its presence there. Its strategy is premised on its belief that shopping malls in Asia will benefit from the significant economic and consumer growth potential in Asia. CapitaMalls Asia's principal business strategies expose it to the risks inherent in concentrating its business in a single asset class and in a single region. Other real estate companies that invest in more than one asset class or over a wider geographical spread may not face these risks to the same extent or at all. These risks include, but are not limited to, a downturn in the Asian economies, which would in turn affect valuations of CapitaMalls Asia's retail properties, decreases in rental or occupancy rates and insolvency of tenants and other counterparties. These risks may also restrict CapitaMalls Asia's ability to raise funds for its business and result in higher financing costs. If any of these events were to occur, or the potential economic and consumer growth in Asia that CapitaMalls Asia anticipates does not materialise, CapitaMalls Asia's business, financial condition, results of operations and prospects may be materially and adversely affected.

***The success of CapitaMalls Asia's business strategy is dependent on various factors.***

In determining CapitaMalls Asia's strategies, CapitaMalls Asia has made certain assumptions about the future economic performance of the five countries in which it currently operates and that it has identified as its key investment regions, namely, Singapore, China, Malaysia, Japan and India. CapitaMalls Asia may expand further in these markets and also into new markets in Asia. The successful implementation of CapitaMalls Asia's strategies will entail actively managing CapitaMalls Asia's retail properties, identifying suitable acquisition opportunities and making such

acquisitions, undertaking development or asset enhancement initiatives, securing tenants for CapitaMalls Asia's shopping malls, raising funds in the capital or credit markets, and the co-operation of CapitaMalls Asia's partners who invest with CapitaMalls Asia, CapitaMalls Asia's tenants, and other counterparties. CapitaMalls Asia's ability to successfully implement its strategies is also dependent on various other factors, including but not limited to the competition it faces in its business, which may affect its ability to acquire retail real estate properties and secure tenants on terms acceptable to it, and its ability to retain its key employees. CapitaMalls Asia's ability to expand into new markets is dependent on its ability to adapt its experience and expertise and to understand and navigate the new environment. There can be no assurance that CapitaMalls Asia will be able to implement all or some of its business strategies, and the failure to do so may materially adversely affect its business, financial condition, results of operations and prospects.

***CapitaMalls Asia may not be able to successfully implement its growth strategy in China.***

CapitaMalls Asia intends to aggressively expand and entrench its presence in China, building a portfolio of 100 shopping malls within the next three to five years. CapitaMalls Asia's growth strategy is premised on its belief that the size and expected growth of the Chinese market present substantial opportunities for the expansion of its shopping mall portfolio in China. However, there is no guarantee that the economy and retail market in China will continue to grow and develop as predicted, and its expansion plan in China may be adversely affected by an economic downturn and any other adverse impact on the global economy or the economy and retail market in the areas in China where they intend to expand into, as well as by fluctuations in Renminbi exchange rates. In addition, changes in the economic, political and social conditions in the PRC could adversely affect CapitaMalls Asia's ability to expand its portfolio in China. The PRC government from time to time may also change interest rates, tax rates and implement various economic policies, regulations or restrictions to adjust the rate of growth of the PRC economy and economies of local areas within the PRC. Such measures by the PRC government and other changes in the PRC's economic, political and social conditions, laws and regulations may have an adverse effect on its expansion plans in China.

CapitaMalls Asia plans to grow its China portfolio by, *inter alia*, leveraging on its experience from its previous development and management activities in China, its local expertise and its network of suppliers and tenants in order to reduce its development costs, cut its lead times and bring each mall to profitability more quickly. However, there is no guarantee that it will be able to successfully implement its strategy in order to grow its China portfolio as planned. CapitaMalls Asia may not be able to achieve its growth target if it fails to successfully implement its growth strategy in China.

CapitaMalls Asia's ability to grow its portfolio in China may be affected by a variety of other factors, including but not limited to the following:

- its ability to identify suitable malls and/or land in China for acquisition and/or development;
- its ability to obtain adequate financing to fund its expansion plans in China on commercially reasonable terms or at all;
- government and other regulatory measures relating to and/or having an impact on foreign property developers, owners and investors;
- changes in the government bidding requirements and application process for greenfield projects;
- the receipt of requisite government licences, certificates, permits, qualifications and approvals (including but not limited to title certificates for land-use right and real estate), as well as shareholder approvals in order to carry out the acquisitions and development;

- the consumption patterns and spending habits of consumers in China;
- outbreaks of epidemics, wars and the occurrences of natural disasters in China and particularly in the areas which it plans to expand into;
- the level of competition from other property developers, owners and managers;
- the financial, regulatory and reputational positions of its partners in China;
- the costs of development and investment, including the costs of labour, materials and related commodities;
- foreign currency exchange rates;
- the demand for retail space; and
- the performance of its independent contractors.

With respect to CapitaMalls Asia's ability to obtain adequate financing to fund its expansion plans, there is no guarantee that it will be able to obtain such funding, either in whole or in part, or obtain funding on terms that are acceptable to it. CapitaMalls Asia's ability to obtain this funding may also be affected by a variety of other factors, including but not limited to the following:

- the property market's cyclical nature;
- any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could adversely affect the liquidity, interest rates and availability of any third-party capital funding sources;
- further consolidation in the banking industry that may reduce the availability of credit as the merged banks seek to reduce their combined exposure to a particular company, sector or geography;
- increased caution and conservatism displayed by banks in the wake of the recent global financial crisis; and
- governmental and other regulatory measures which have the effect of restricting borrowers' access to credit and/or causing banks to reduce the overall quantum of loans.

As such, CapitaMalls Asia's China growth strategy is subject to various uncertainties, and there can be no assurance that CapitaMalls Asia will be able to implement its China growth strategy and achieve its portfolio target.

***CapitaMalls Asia may not be able to manage its growth successfully.***

There can be no assurance that CapitaMalls Asia will be able to grow successfully. CapitaMalls Asia's ability to achieve future growth will depend on its ability to identify suitable opportunities in a timely and cost effective manner and develop the properties and open the shopping malls on schedule. CapitaMalls Asia will rely on a combination of internal cash flows and resources and external sources of funding to acquire, develop or enhance its existing or new retail properties, which may not be available on commercially reasonable terms or at all. Even if CapitaMalls Asia were successful in securing new retail properties or in developing or enhancing its existing or new shopping malls, there can be no assurance that CapitaMalls Asia will be able to achieve the intended returns or generate the intended revenue from such assets. Furthermore, CapitaMalls Asia may face significant competition from other real estate companies or investors and managers of real estate assets in the acquisition, development, enhancement and management

of retail properties. There can be no assurance that CapitaMalls Asia will be able to compete effectively, or to secure such opportunities on commercially reasonable terms or at all.

The anticipated future growth in CapitaMalls Asia's business and assets may also challenge its managerial, operational, financial and other resources. Risks associated with CapitaMalls Asia's past and anticipated future growth, including diversification into other countries in Asia, also include the fact that the operating complexity of CapitaMalls Asia's business and the responsibility of CapitaMalls Asia's management have increased and will continue to increase. In turn, this will require the continued development of financial and management controls and systems and CapitaMalls Asia's implementation of these systems across the business. Furthermore, CapitaMalls Asia may face additional challenges in ensuring that adequate internal controls and supervisory procedures are in place. If CapitaMalls Asia is unable to successfully manage the impact of CapitaMalls Asia's growth on CapitaMalls Asia's operational and managerial resources and control systems, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

***CapitaMalls Asia depends on its key management for its integrated shopping mall business. The loss of their services or CapitaMalls Asia's inability to recruit additional key employees may impair CapitaMalls Asia's operations and growth.***

CapitaMalls Asia's integrated shopping mall business is a human capital-intensive business and CapitaMalls Asia's success depends on its ability to attract and retain experienced key employees.

The retention of CapitaMalls Asia's senior officers is crucial to CapitaMalls Asia's success and the loss of their services could have a material adverse effect on CapitaMalls Asia's operations as a whole. CapitaMalls Asia also anticipates that it will be necessary for CapitaMalls Asia to employ additional key employees as it pursues its growth strategy. However, CapitaMalls Asia may not succeed in recruiting such additional employees or retaining current key employees as the market for such employees is extremely competitive. If CapitaMalls Asia is unable to attract or retain senior management, or if one or more of CapitaMalls Asia's senior officers are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing company, CapitaMalls Asia may not be able to replace them readily or at all.

Efforts to retain or attract key employees may also result in significant additional expenses, which could adversely affect CapitaMalls Asia's profitability. Adverse developments with respect to CapitaMalls Asia's senior officers may have a material adverse impact on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia is subject to interest rate fluctuations.***

Some of CapitaMalls Asia's existing debt and CapitaMalls Asia's borrowings in future may carry floating interest rates, and consequently, the interest cost to CapitaMalls Asia for such loans will be subject to fluctuations in interest rates. As at 30 September 2011, CapitaMalls Asia had consolidated debt of approximately S\$967.9 million, of which approximately 19.5% is on a floating rate basis. There is no certainty that interest rates will not increase to CapitaMalls Asia's detriment.

As part of CapitaMalls Asia's active capital management strategies, it has entered into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, such hedging, or CapitaMalls Asia's hedging policy, may not adequately cover its exposure to interest rate fluctuations.

In addition, CapitaMalls Asia is and may in future be subject to market disruption clauses contained in CapitaMalls Asia's loan agreements with banks. Such clauses will generally provide

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 cost of funds to CapitaMalls Asia, notwithstanding the margins agreed.

Consequently, interest rate fluctuations could have a material adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia is subject to risks relating to foreign currency exchange rate fluctuations.***

Because of the geographic diversity of CapitaMalls Asia's business, CapitaMalls Asia receives income and incurs expenses in a variety of currencies, including Singapore Dollars, Chinese Renminbi, Malaysian Ringgit, Japanese Yen, Indian Rupees and U.S. Dollars. In addition, CapitaMalls Asia is exposed to various costs and debt denominated in other currencies, including U.S. Dollars. Consequently, CapitaMalls Asia's costs, profit margins and property values are affected by fluctuations in the exchange rates of the above-mentioned currencies. The impact of future exchange rate fluctuations on CapitaMalls Asia's liabilities, cost of sales and margins cannot be accurately predicted and some of these currencies may not be readily convertible or exchangeable or may be subject to exchange controls.

In particular, the Chinese government discontinued the pegging of the Chinese Renminbi to the U.S. Dollar in July 2005, following which the Chinese Renminbi appreciated against many currencies and a further appreciation may be expected.

In addition, CapitaMalls Asia's financial statements are presented in Singapore Dollars. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore Dollars for financial reporting or repatriation purposes. If the foreign currencies depreciate against the Singapore Dollar, this may materially adversely affect CapitaMalls Asia's reported financial results.

***Regulatory issues and changes in law may have an adverse impact on CapitaMalls Asia's business.***

CapitaMalls Asia is subject to the usual business risk that there may be changes in laws that reduce its income or increase its costs. For example, there could be changes in tenancy laws that limit CapitaMalls Asia's recovery of certain property operating expenses, changes or increases in real estate taxes that cannot be recovered from CapitaMalls Asia's tenants or changes in environmental laws that require significant capital expenditure.

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

***Transactions with connected persons and interested persons may expose the Group to risks.***

The Group has ongoing contractual arrangements with connected persons and 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 connected persons and interested persons may give rise to conflicts of interests, which could lead to transactions being entered into and decisions made which are based on factors other than commercial factors.

## **2. RISKS RELATING TO CAPITAMALLS ASIA'S PROPERTY BUSINESS AND THE OPERATION OF CAPITAMALLS ASIA'S PROPERTIES**

***CapitaMalls Asia is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests.***

CapitaMalls Asia holds the substantial majority of its property interests through, and it has interests and makes investments in, entities that are not its subsidiaries, and over which it does not have majority control, such as REITs and private real estate funds and joint ventures. CapitaMalls Asia has relied on contributions to its profits from such jointly controlled entities and associates and expects to continue to rely on such contributions. The performance of these entities and CapitaMalls Asia's share of their results, is subject to the same or similar risks that affect CapitaMalls Asia as described herein, including risks that affect CapitaMalls Asia's general business and operations, risks relating to CapitaMalls Asia's property business and the operation of CapitaMalls Asia's properties and risks relating to the countries in which CapitaMalls Asia operate. There can be no assurance that CapitaMalls Asia will be able to influence the management, operation and performance of these entities, whether through its voting rights, contractually, or as manager of some of these entities, in a manner which would be favourable to CapitaMalls Asia, or at all. If all or any of these entities were to perform poorly, CapitaMalls Asia's overall business, financial condition, results of operations and prospects may be adversely affected.

Additionally, disagreements may occur between CapitaMalls Asia and its joint venture partners and/or other investors, regarding the business and operations of these entities which may not be resolved amicably, or in a manner which is favourable to CapitaMalls Asia. In addition, CapitaMalls Asia's joint venture partners and/or other investors may have economic or business interests or goals that are inconsistent with CapitaMalls Asia, take actions contrary to its instructions, requests, policies or objectives, be unable or unwilling to fulfil their obligations, have financial difficulties or have disputes with CapitaMalls Asia as to the scope of their responsibilities and obligations. Further, some of CapitaMalls Asia's contractual arrangements with its joint venture partners and other investors of the entities in which CapitaMalls Asia has invested may subject its ability to transfer its interests in these entities to conditions and other restrictions. These factors could adversely affect CapitaMalls Asia's ability to deal with its investments and its assets under management in a manner which achieves its objectives and in turn could have a material adverse impact on its business, financial condition, results of operations and prospects.

In light of the current economic climate, CapitaMalls Asia's joint venture partners or other investors may not be able to fulfil their respective contractual obligations with CapitaMalls Asia (for example they may default in making payments during future capital calls or capital raising exercises) or they may experience a decline in their creditworthiness. Although joint venture and private real estate fund agreements generally contain terms that govern the treatment of such events to the detriment of the defaulting party and CapitaMalls Asia would generally seek to enforce its rights as enumerated within these legal agreements, the occurrence of any of these events may materially and adversely affect the performance of CapitaMalls Asia's joint ventures and/or funds, which in turn may materially and adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

Some of CapitaMalls Asia's investments are in entities that are structured to achieve tax efficiency or transparency, such as REITs, private real estate funds, and other special purpose vehicles that are located in jurisdictions that do not tax income or other gains or that provide tax incentives. In the event that the intended tax efficiency or transparency is not achieved by the vehicles through

or in which CapitaMalls Asia's investments are made, whether as a result of a loss or revocation of a tax ruling by a competent tax authority, or a change in or in the interpretation of applicable tax laws or otherwise, this could reduce the return on CapitaMalls Asia's investments and increase CapitaMalls Asia's operating costs and expenses, and in turn could have a material adverse impact on CapitaMalls Asia's business, financial condition, results of operations and prospects. Some of CapitaMalls Asia's investments, such as those in CMT, CRCT and CMMT, are investments in entities which are listed or traded on a securities exchange. There can be no assurance that the market price of the securities of the entity CapitaMalls Asia has invested in reflects accurately to any degree the underlying value of the business, or the assets owned by it, or that it will be able to realise its investment in the entity at the then prevailing market price, or at all.

***CapitaMalls Asia faces risks relating to the quality and extent of the title to or interests in the properties in its portfolio.***

The quality, nature and extent of the title to the land and properties in CapitaMalls Asia's portfolio of property interests varies, depending on a number of factors, including:

- the country and location of the property;
- the laws and regulations that apply to the property;
- the stage of development of the property;
- the extent to which the contract pursuant to which the property interest was acquired has been performed, the extent to which the terms and conditions thereunder have been complied with, and the amount of the purchase consideration which has been paid;
- the extent of compliance by CapitaMalls Asia or any other relevant party (including previous owners, the vendor of the property and the entity in which CapitaMalls Asia has invested that has acquired or is acquiring the property) with all relevant laws and regulations relating to the ownership, use, sale, development or construction of the property;
- the manner under which the interest in the property is held, whether through a joint venture, a development agreement, under a master lease, an option to purchase, a sale and purchase agreement, through asset-backed securities or otherwise;
- in the case where the property interests are leasehold interests, the extent of compliance by CapitaMalls Asia or any other relevant party (including previous lessees or lessors, the vendor of the property and the entity in which CapitaMalls Asia has invested that has acquired or is acquiring the property) with the terms and conditions of the state or head lease or any other document under which the title of the property is derived; and
- the capacity, power, authority and general creditworthiness of the counterparties to the contractual and other arrangements through which CapitaMalls Asia has acquired its interest in the property.

As some of CapitaMalls Asia's property interests are derived through or subject to various contractual arrangements, these property interests are subject to, and dependent on, the legality, validity, binding effect and enforceability of the relevant contracts, the performance and observance of the terms and conditions set out in the contracts by the parties thereto, the capacity, power, authority and creditworthiness of such parties, the fulfilment of any conditions precedent to the parties' obligations under the contracts, and compliance by the parties with all relevant laws and regulations relating to the sale, development and construction of the relevant properties. For instance, some of the contractual arrangements provide that title to the underlying land and/or buildings will only be issued when the necessary governmental and regulatory approvals, such as approvals for acquisition or development, the issue of title or strata title

documentation, or change of land use certificates, among others, are obtained. In other cases, the contractual arrangements are subject to conditions precedent, such as full payment of the purchase price, completion of construction, and execution of other documents.

There can be no assurance that the legality, validity, binding effect and enforceability of the contractual arrangements from which CapitaMalls Asia derives its property interests will not be challenged, that the conditions precedent stated in the contract will be fulfilled or that the parties to the contract (including the entities in which it has invested that may be parties to the contract) will perform and comply with the terms thereof and will not have disagreements among each other in respect of the interpretation and implementation of the contract. If any of these events occur, CapitaMalls Asia's interest in the property and the value thereof may be adversely affected.

The execution of a sale and purchase agreement may be subject to regulatory approvals and agreement among the parties to the terms of the sale and purchase agreement, and other conditions. In the event a sale and purchase agreement is not executed, the deposit may be returned or may be forfeited, which may have an adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects. The number of properties in which CapitaMalls Asia has an interest, the total property values and GFA of CapitaMalls Asia's property interests and CapitaMalls Asia's effective interests therein will also be correspondingly reduced.

The limitations described above on the quality, nature and extent of the title to the land and properties in CapitaMalls Asia's portfolio of property interests impact CapitaMalls Asia's ability to deal with and have control over CapitaMalls Asia's property interests, and the conditions under which CapitaMalls Asia may own, develop, operate or manage the property. There can be no assurance that the quality, nature and extent of the title to CapitaMalls Asia's property interests will not be challenged or adversely impacted or will not adversely affect its ability to deal with its property interests and in turn the value of its investment in these properties.

The properties in which CapitaMalls Asia has interests are currently located in five countries, and the extent and quality of title depends on the laws of the relevant jurisdiction. Certain of these jurisdictions may have immature property laws and lack a uniform title system. As such, there is potential for dispute over the quality, existence and nature of the title purchased from previous land owners or property owners. In addition, CapitaMalls Asia 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 CapitaMalls Asia has invested in, and CapitaMalls Asia's property interests are not covered by title insurance. In the event CapitaMalls Asia 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 CapitaMalls Asia's claim to title is the subject of a dispute, CapitaMalls Asia's business, financial condition, results of operations and prospects may be adversely affected.

***Declines in property values may lead to downward revaluations of the properties in which CapitaMalls Asia holds interests, which may adversely affect CapitaMalls Asia's property value and profitability.***

Although retail real estate asset prices in the countries in which CapitaMalls Asia operates rose significantly between 2006 and 2008, such prices began to fall in 2008 and later showed signs of recovery in the first quarter of 2010. The uncertain global economy may cause CapitaMalls Asia's property values to fluctuate, and this in turn may have an adverse impact on its business, results of operations, financial condition and prospects. CapitaMalls Asia holds interests in shopping malls and other properties in Singapore, China, Malaysia, Japan and India and there can be no assurance that property prices in any of these countries will not decrease such that a downward revaluation of the properties is required.

Real estate assets are inherently difficult to value. As a result, valuations are subject to substantial uncertainty and subjective judgments and are made on the basis of assumptions which may not be correct. Additionally, the inspections of CapitaMalls Asia's properties and other work undertaken in connection with a valuation exercise, may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. There can be no assurance that CapitaMalls Asia's property interests will retain the price at which it may be valued or that CapitaMalls Asia's investment in such properties will be realised at the valuations or property values it has recorded or reflected in its financial statements or in this Offer Information Statement.

CapitaMalls Asia applies fair value accounting for all its investment properties. The fair values are to be adopted by its Board on a quarterly basis based on internal valuation or independent professional valuation, which is carried out half-yearly in June and December of each year. In the intervening three months valuations are deemed unchanged, unless there are extraordinary market changes which would clearly warrant another valuation. An independent professional valuation is to be obtained at least once every three years. Notwithstanding this, CapitaMalls Asia has obtained independent professional valuations at least once every year since its incorporation. CapitaMalls Asia assesses the valuation of each interest to ensure that the carrying amount of each investment property reflects the market conditions as at the relevant financial reporting date. The value of CapitaMalls Asia's interest in properties may fluctuate from time to time due to market and other conditions. Such adjustments to CapitaMalls Asia's share of the fair value of the properties in CapitaMalls Asia's portfolio could have an adverse effect on CapitaMalls Asia's net asset value and CapitaMalls Asia's profitability. They may also affect CapitaMalls Asia's ability to incur more borrowings, or result in CapitaMalls Asia having to reduce debt, if the financial covenants in CapitaMalls Asia's financing and other agreements require CapitaMalls Asia to maintain a level of debt relative to CapitaMalls Asia's asset value, and such covenants are triggered as a result of adjustments made to the fair value of CapitaMalls Asia's properties in CapitaMalls Asia's portfolio.

For properties held by the REITs and private real estate funds, revaluation losses in respect of the properties so held may significantly decrease the management fees CapitaMalls Asia may earn from managing these properties, and such reductions in CapitaMalls Asia's revenue may have a material adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia's interests in the unlisted entities holding the properties and the properties that underlie its holdings are illiquid.***

Other than CapitaMalls Asia's investments in CMT, CRCT and CMMT, CapitaMalls Asia's retail real estate investments are generally illiquid. In addition, the properties that underlie CapitaMalls Asia's holdings may be illiquid depending on, among other things, the prevailing property market conditions. Such illiquidity may affect CapitaMalls Asia's ability to vary the size and mix of its investment portfolios or CapitaMalls Asia's ability to liquidate part of its assets in response to changes in economic, real estate market or other conditions. These factors could affect CapitaMalls Asia's gains from realisation of CapitaMalls Asia's investments in retail real estate assets, including the value at which CapitaMalls Asia may dispose of CapitaMalls Asia's holdings in entities that hold the retail real estate assets, the income or other distributions received by CapitaMalls Asia from CapitaMalls Asia's holdings in the REITs, private real estate funds or other vehicles which CapitaMalls Asia has invested in, which in turn would have a material adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia is exposed to a range of development and construction risks relating to the development and asset enhancement projects of its properties.***

CapitaMalls Asia may undertake, and the properties that it has an interest in, may from time to time be the subject of, development or asset enhancement initiatives. The construction and development of new shopping malls usually takes two to three years to complete, depending on the size and complexity of the development and a further two to three years to ensure that the shopping mall is able to improve its occupancy and rental rates. The implementation of a development project or asset enhancement initiative, as well as the time and costs required to complete a development project or asset enhancement initiative may be adversely affected by various factors, including, but not limited to:

- delays or inability to obtain all necessary zoning, land use, building, development and other required governmental and regulatory licences, permits, approvals and authorisations;
- construction risks, which include, delays in construction and cost overruns whether from variation to original design plans or any other reason, a shortage or increase in the cost of construction and building materials, equipment or labour as a result of rising commodity prices or inflation or otherwise, inclement weather conditions, unforeseen engineering, environmental or geological problems, defective materials or building methods, default by contractors and other third party service and goods providers of their obligations, or financial difficulties faced by such persons, disputes between counterparties to a construction or construction related contract, work stoppages, strikes, accidents, among others;
- the failure to resolve squatter and related settlement issues or otherwise;
- the need to make significant capital expenditures without receiving revenue from these properties until future periods;
- possible shortage of available cash to fund construction and capital improvements and the related possibility that financing for these capital improvements may not be available on acceptable terms or at all; and
- uncertainties as to market demand or a loss of market demand by tenants and consumers for the shopping mall after construction or asset enhancement work has begun, whether resulting from a downturn in the economy, a change in the surrounding environment of the project, including the location or operation of transportation hubs or the population density, or otherwise.

Furthermore, CapitaMalls Asia's properties that include office space and residential components may face limitations or restrictions on the extent to which it can customise the format and layout of these properties, thus potentially limiting or restricting its development plans and/or the nature or extent of its asset enhancement initiatives.

There can be no assurance that any or all of the current or future development or asset enhancement projects affecting the properties in which CapitaMalls Asia has an interest, will be completed within the anticipated time frame or budget, or at all, whether as a result of the factors specified above or for any other reason. The inability to complete a major development or asset enhancement project within the anticipated time frame and budget could have a material adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects. In addition, significant pre-operating costs may be incurred and there can be no assurance that these costs can be recovered within a brief period or at all, and there may be a substantial length of time before a development or asset enhancement project generates revenues and positive cash flows. The failure to adequately prepare for pre-operating costs could adversely affect CapitaMalls Asia's businesses, financial condition, results of operations and prospects.

***Due diligence on CapitaMalls Asia's properties may not identify all material defects, breaches of laws and regulations and other deficiencies.***

There can be no assurance that CapitaMalls Asia'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 CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia is subject to risks inherent in acquiring ownership interests in "mixed-use" properties, properties which are part of a larger development or properties which share or have common areas.***

Certain of CapitaMalls Asia's properties are "mixed-use" properties that include retail space, residential units and office and other commercial space. These properties are subject to the risks associated with residential and commercial properties in general, including lack of demand, oversupply, unfavourable economic conditions and, specifically with respect to residential units, changes in government and/or bank lending policy restricting the availability of financing to purchasers and changes in government policy restricting or limiting the purchase, sale and ownership of property.

Some of the properties in which CapitaMalls Asia has an interest may be part of a larger development which comprises other real estate components, such as residential or commercial units, or are adjacent to or incorporate common or other areas which are shared with owners of neighbouring properties. Any development or asset enhancement works that CapitaMalls Asia proposes for the shopping malls may require the consent of these owners, which may not be forthcoming in a timely manner or at all, or on terms acceptable to CapitaMalls Asia. CapitaMalls Asia's inability to obtain the requisite consent of these owners may affect its ability to deal with its interests in some of its properties in a manner which achieves its objectives and in turn could have a material adverse impact on its business, financial condition, results of operations and prospects. CapitaMalls Asia's lack of control and rights to manage the shared or common areas at its shopping malls means that it may not be able to ameliorate any shortcomings or deterioration of, or execute any enhancement works on, the shared or common areas. Further, CapitaMalls Asia will also not be able to determine the service charges and sinking fund contributions towards maintenance and upkeep of the shared or common areas, any or all of which events, could have an adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***Potential liability for environmental problems could result in substantial costs.***

CapitaMalls Asia is subject to a variety of laws and regulations concerning the protection of health and 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 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. CapitaMalls Asia has not provided for such potential obligations in its consolidated financial statements. Environmental laws and regulations 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 and investigations with respect to any of CapitaMalls Asia's properties may not reveal all environmental liabilities, whether owners or operators of the properties had created any material environmental condition not known to CapitaMalls Asia or whether a material environmental condition exists in any one or more of CapitaMalls Asia's 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. Future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability.

There can be no assurance that more stringent requirements for environmental protection will not be imposed by the relevant governmental authorities in the future. If CapitaMalls Asia fails to comply with existing or future environmental laws and regulations in the jurisdictions in which it operates or fails to meet the expectations of society with regard to environmental issues, its reputation may be damaged or it may even be required to pay penalties or fines or take remedial actions, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects.

***The occurrence of natural or other catastrophes, severe weather conditions or other acts of God, terrorist attacks, other acts of violence or war or adverse political developments may materially disrupt CapitaMalls Asia's operations.***

The countries in which CapitaMalls Asia operates have experienced a number of major natural catastrophes over the years, including typhoons, droughts and earthquakes. Specifically, Japan has recently experienced numerous earthquakes and a tsunami, resulting in significant damage to property and infrastructure, including nuclear power generation facilities, the damage to which may in turn lead to additional, sustained disruptions. There can be no assurance that the occurrence of such natural catastrophes or other acts of God will not materially disrupt CapitaMalls Asia's operations. These factors, which are not within CapitaMalls Asia's control, could potentially have significant effects on CapitaMalls Asia's properties in which CapitaMalls Asia has interests and CapitaMalls Asia's development projects, many of which are large, complex buildings or developments that are susceptible to structural damage and failure. Such catastrophes, particularly those that recently occurred in Japan, may also lead to reductions in shopper traffic, loss of income for CapitaMalls Asia's tenants and ultimately, possible defaults on lease payments, resulting in a material adverse effect on CapitaMalls Asia's business. CapitaMalls Asia does not maintain full third-party insurance to cover all natural or other catastrophes. As a result, the occurrence of natural or other catastrophes, severe weather conditions or other acts of God may adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

Also, terrorist attacks over the last few years, including in the United States, Bali, Jakarta and Mumbai, together with the military response by the United States 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 Thailand and the terrorist attacks in the south of Thailand, and other areas of Southeast Asia, have exacerbated this volatility. Recent political turmoil in Libya and various Middle Eastern countries like Egypt and Bahrain have impacted the commodity markets and resulted in rising oil prices. The direct and indirect consequences of any of these terrorist attacks or armed conflicts are unpredictable, and CapitaMalls Asia may not be able to foresee events that could have an adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

An increase in the frequency, severity or geographic reach of terrorist acts could destabilise the jurisdictions in which CapitaMalls Asia operates. CapitaMalls Asia's shopping malls may be particularly vulnerable to, and adversely affected by, terrorist attacks because of the large number of people they attract and the general public access provided. There can be no assurance that CapitaMalls Asia's properties will not be subject to acts of terrorism, violent acts and adverse

political developments which may have a material adverse effect on it and its business, financial condition, results of operations and prospects.

***CapitaMalls Asia is exposed to operating risks of the retail real estate industry.***

CapitaMalls Asia's financial performance is influenced by conditions for the retail real estate business in the countries in which it operates. Such markets and/or individual properties have historically been, and could in the future be, adversely affected by any of the following:

- cyclical downturns arising from changes in general and local economic conditions;
- periodic oversupply of retail properties;
- the recurring need for renovation, refurbishment and improvement of the retail properties;
- increases in interest rates and inflation;
- weaknesses in the national, regional and local economies;
- the adverse financial condition of some large retail companies;
- changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;
- availability of financing for operating or capital requirements;
- consolidation of retail operators in the retail sector;
- strikes, work stoppages and labour-related disputes;
- changes in consumer spending patterns;
- changes in consumer preference in relation to property design and interior decoration or location;
- unemployment levels;
- an increase in consumer purchases from mail-order or internet purchases and the consequent reduction for retail space in commercial properties;
- competition from warehouse and outlet stores and competitors with new business models;
- transportation infrastructure developments in new areas;
- extreme weather conditions or acts of terrorism;
- any changes in taxation and zoning laws; and
- adverse government regulation.

***The retail real estate industry is highly competitive.***

The properties in which CapitaMalls Asia has an interest compete for tenants with numerous developers, owners and managers of retail properties, many of which own properties similar to, or which compete with, CapitaMalls Asia's. This competition may affect the occupancy rates and rental rates of CapitaMalls Asia's properties, as well as the shopper traffic to CapitaMalls Asia's

retail properties. The competition may result in CapitaMalls Asia having to lower its rental rates or incur additional capital improvements to improve the properties. The competitive business environment among retailers in the markets in which CapitaMalls Asia operates may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent.

CapitaMalls Asia also competes with other real estate companies for property acquisitions and property-related investments, including suitable sites for new developments. An inability to compete effectively could affect CapitaMalls Asia's ability to grow and thus adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia is dependent on the revenue generated from tenancies of the properties in which it has an interest, and a majority of these tenancies are for a short term of up to three years.***

Rental income constitutes a significant portion of CapitaMalls Asia's turnover and is important to its business. The majority of the tenancies of properties in which CapitaMalls Asia has an interest are for periods of three years or less or subject to rent reviews within such periods, which reflects the general practice in the retail real estate sector in which CapitaMalls Asia operates. While this may create opportunities for CapitaMalls Asia to bring in new tenants, new concepts and refresh its tenant mix, the properties experience lease cycles in which a significant number of the tenancies expire each year. This frequency of renewals makes CapitaMalls Asia susceptible to rental market fluctuations. Factors that may affect occupancy levels, rental rates and the attractiveness of CapitaMalls Asia's shopping malls to tenants include but are not limited to, cyclical downturns arising from changes in general and local economic conditions, periodic oversupply of tenantable shopping malls, and recurring need for renovation, refurbishment and improvement of the shopping malls.

If a tenant, particularly an anchor tenant, experiences a downturn in its business or in the extreme case experiences financial distress such as bankruptcy or insolvency, it may be unable to make timely rental payments. It may not be feasible to operate a large shopping mall for any significant period without an anchor tenant as it may be difficult to secure a replacement tenant on short notice. CapitaMalls Asia's claims for unpaid rent against a bankrupt or insolvent tenant may not be paid in full or at all. In addition, CapitaMalls Asia would incur time and costs if it pursues eviction proceedings and would be unable to collect rent during the pendency of such proceedings. Further, if tenants decide not to renew their contracts or terminate early, CapitaMalls Asia may not be able to re-let the space immediately. Even if tenants decide to renew or lease new space, the terms of renewals or new tenancies, including the cost of required renovations or concessions to tenants, may be less favourable to CapitaMalls Asia than current lease terms. Such developments may result in decreased revenues for CapitaMalls Asia and may affect multiple properties, which in turn could have a material adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***The properties in which CapitaMalls Asia has an interest may be subject to increases in operating and other expenses.***

CapitaMalls Asia's business, financial condition, results of operations and prospects could be adversely affected if operating and other expenses related to the properties in which CapitaMalls Asia has an interest increase without a corresponding increase in revenues. Factors which could increase operating and other costs include:

- increases in property tax assessments and other statutory charges;
- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;

- increases in sub-contracted service costs;
- increases in labour costs;
- increases in repair and maintenance costs;
- increases in the rate of inflation;
- increases in insurance premiums; and
- increases in cost of utilities.

***CapitaMalls Asia may not have adequate insurance.***

CapitaMalls Asia maintains insurance policies where practicable covering both its assets and employees in line with general business practices in the real estate industry, with policy specifications and insured limits which it believes are reasonable. Risks which CapitaMalls Asia are insured against include fire, business interruption, lightning, flooding, theft and public liability. There are, however, certain types of losses (such as from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable and CapitaMalls Asia's properties could suffer physical damage from fire or other causes, resulting in losses (including loss of rent) that may not be fully compensated by insurance. Losses resulting from earthquakes, in particular, may not be practicable to cover by insurance and CapitaMalls Asia normally adopts practices customary to the market. Where practicable, CapitaMalls Asia also maintains certain terrorism, property damage, business interruption and general liability insurance in the various countries in which it operates. However, with respect to terrorism in particular, in certain cases it may be difficult to obtain adequate insurance coverage, or insurance coverage at practicable rates. Should an uninsured loss or a loss in excess of insured limits occur or should CapitaMalls Asia's insurers fail to fulfil their obligations for the sum insured, CapitaMalls Asia could be required to pay compensation and/or lose capital invested in the property, as well as anticipated future revenue from that property. CapitaMalls Asia would also remain liable for any debt or mortgage, indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects. There can be no assurance that material losses in excess of insurance proceeds will not occur in the future. Although CapitaMalls Asia seeks to ensure that its projects and income-generating properties are appropriately insured, no assurance can be given that adequate insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates.

***Renovation, asset enhancement works, physical damage or latent building or equipment defects to the properties may disrupt the operations of the properties and collection of rental income or otherwise result in adverse impact on CapitaMalls Asia's financial condition.***

The quality and design of a shopping mall has an influence on the demand for space in, and the rental rates of, the properties, as well as their ability to attract strong shopper traffic. The properties may need to undergo renovation or asset enhancement works from time to time to retain their attractiveness to tenants as well as shoppers and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining a retail property and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the properties may suffer some disruption and it may not be possible to collect the full rate of, or, as the case may be, any rental income on space affected by such renovation works. Shopper traffic may also be adversely affected by such renovation and/or repair works.

In addition, physical damage to the properties resulting from fire or other causes and design, construction or other latent defects in the properties in which CapitaMalls Asia has an interest may lead to additional capital expenditure, special repair or maintenance expenditure, business interruption, or payment of damages or other obligations to third parties, and may in turn result in an adverse impact on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia faces the risk of expropriation of its properties in the countries in which it operates.***

The laws of Singapore, China, Malaysia, Japan and India, in which CapitaMalls Asia's properties are currently located and regions into which CapitaMalls Asia may expand to, may allow their respective governments to various degrees, to compulsorily acquire land and buildings under certain circumstances, including if it is in the public interest to do so, and under circumstances where compensation may be less than the value of the relevant property or building.

In particular, CapitaMalls Asia has an interest in land located in Jalandhar, India, which is within an area that has been identified by the Indian authorities for potential compulsory acquisition for the widening of an existing highway. Although the development plans for this land as well as the location of the proposed mall already cater for the possibility that the highway may be widened, the Indian authorities have not specified the area of the land which may be compulsorily acquired.

In the event that all or any part of CapitaMalls Asia's land or property is compulsorily acquired, the compensation paid in respect of the acquired property could be less than its market value or the price CapitaMalls Asia has paid for acquiring the property which could adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia is subject to third-party litigation risk by visitors, contractors and tenants of its shopping malls which could result in significant liabilities and damage its reputation.***

In general, as developer, owner and/or manager of the shopping malls in which CapitaMalls Asia has an interest, CapitaMalls Asia is exposed to the risk of litigation or claims by visitors, contractors or tenants of its retail properties, which may arise for a variety of reasons, including any accidents or injuries that may be suffered by them while at its properties, its tenants' inability to enjoy the use of the properties in accordance with the terms of their lease and its failure to perform any of its obligations under any lease, construction or other contracts or agreements entered into with contractors, tenants or other third parties. If CapitaMalls Asia is required to bear all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds or failure to obtain indemnification from the REITs and private real estate funds CapitaMalls Asia manages, this may have a material adverse effect on its business, financial condition, results of operations and prospects.

### **3. RISKS RELATING TO CAPITAMALLS ASIA'S MANAGEMENT BUSINESS**

***A portion of CapitaMalls Asia's revenue and income is derived from its management of three REITs and several private real estate funds. CapitaMalls Asia's management business would be adversely affected if the performance of any of these REITs or private real estate funds deteriorates.***

CapitaMalls Asia currently manages three REITs, CMT, CRCT and CMMT. CapitaMalls Asia's fees from the management of each of the REITs comprise (i) fund management fees which comprise both base fees (which are generally based on the value of the REIT's assets under management) and performance fees (which are based on the gross revenue or NPI of the REIT), (ii) mall management fees (with respect to CMT and CRCT only) which are generally based on the gross

revenue and NPI of the REIT, and (iii) acquisition and divestment fees, which are based on the acquisition or sale price of any real estate purchased or sold by the REIT. A decrease in the values of the properties held by the REITs or the gross revenue and NPIs of the REITs would result in a corresponding decrease in their fees. Any condition which might have a material adverse effect on the REITs' operating performance and financial condition, or termination of CapitaMalls Asia's management services by either or both REITs, could materially reduce CapitaMalls Asia's revenues derived from managing the REITs.

CapitaMalls Asia currently manages five private real estate funds, namely, the China Income Fund, the China Development Fund II, the China Incubator Fund, the Japan Fund and the India Development Fund. Fee-based income from the management of these private real estate funds is generally based on a percentage of contributed capital or a percentage of the property value plus a percentage of the NPI of the fund. In some cases, CapitaMalls Asia is also entitled to earn an incentive fee of a certain percentage of the investment return on the aggregate of contributed capital in excess of a specified net internal rate of return. CapitaMalls Asia may also be entitled to acquisition or divestment fees, based generally on a percentage of the consideration for properties acquired or sold by the fund. Where CapitaMalls Asia provides mall management and consultancy for marketing and mall management services (such as shopping mall operations management and lease management), CapitaMalls Asia may also earn fees based on a percentage of gross revenue and NPI of the property.

CapitaMalls Asia's existing contracts for the provision of fund management services for a REIT are for an indefinite period of time, unless it resigns or is removed as manager. CapitaMalls Asia may be removed by the trustee of the relevant REIT or through a special resolution, typically in the event of a resolution passed by a majority of the votes cast by unitholders of the REIT, present and voting, or in the event CapitaMalls Asia fail to perform any of its material obligations under the trust deed constituting the REIT. CapitaMalls Asia's fund management services for the private real estate funds are generally for the duration of the private real estate funds, unless it resigns or its services are terminated. Some of CapitaMalls Asia's private fund agreements specifically provide that CapitaMalls Asia's services may be terminated generally as a result of its wilful default, gross negligence or material violation of the provisions of the management agreement. CapitaMalls Asia's property management services are generally on a short or fixed term basis. In the event that CapitaMalls Asia's management or project services are terminated prior to the expiry of the management contract, or CapitaMalls Asia is removed as manager in accordance with the terms of the management contracts, or applicable law, or CapitaMalls Asia is unable to renew contracts that have expired, and on terms that are commercially reasonable to CapitaMalls Asia, this would adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

Additionally, CapitaMalls Asia expects to grow its fee-based income through the establishment of new private real estate funds or REITs or the expansion of the capital base of its existing private real estate funds and REITs. There can be no assurance that CapitaMalls Asia will be successful in raising or that it is able to compete against other funds, REITs or REIT managers to raise funds and find new investors for new or its existing private real estate funds or REITs, or that the level of fees that it may generate from such new funds or REITs will be comparable to those of its existing private real estate funds or REITs.

***CapitaMalls Asia is subject to third-party litigation risk which could result in significant liabilities and damage its reputation.***

As managers of REITs and private real estate funds and as a property manager, CapitaMalls Asia is exposed to risk of litigation by investors of the REITs and private real estate funds it manages if its management of any fund or REIT is alleged to constitute fraud, negligence, wilful default, a breach of applicable laws or regulations or a breach of the trust deed or other constitutive documents or the management and other agreements under which it provides its management

services. Investors could sue CapitaMalls Asia to recover amounts lost by the REITs or private real estate funds CapitaMalls Asia manages due to its alleged misconduct, up to the entire amount of the loss. Further, CapitaMalls Asia may be subject to litigation arising from investor dissatisfaction with the performance of the REITs and private real estate funds CapitaMalls Asia manages. CapitaMalls Asia is exposed to risks of litigation or investigation relating to transactions where potential conflicts of interest have not been properly addressed. In such actions, CapitaMalls Asia may be obliged to bear legal, settlement and other costs, which may be in excess of available insurance coverage. If CapitaMalls Asia is required to bear all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds or failure to obtain indemnification from the REITs and private real estate funds CapitaMalls Asia manages, this may have a material adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***Fund management is subject to significant regulation in certain jurisdictions, and compliance failures and changes in regulation could adversely affect CapitaMalls Asia.***

The REIT management industry is subject to extensive regulation in certain jurisdictions in which CapitaMalls Asia operates. In Singapore, after CapitaMalls Asia was appointed as manager of CMT and CRCT, the laws in Singapore were amended which required CapitaMalls Asia to obtain capital markets services licences from the Authority in order to manage the two REITs. In respect of any new REITs CapitaMalls Asia manages that are publicly listed, or available for investment by the general public, whether in Singapore or elsewhere, CapitaMalls Asia expects that it will be required to be licensed in the relevant jurisdiction before it is able to manage such REITs.

With respect to the management of CapitaMalls Asia's existing private real estate funds, CapitaMalls Asia relies on certain exemptions under Singapore law from having to hold a capital markets services licence for fund management to manage these private real estate funds. In respect of new private real estate funds that CapitaMalls Asia manages, CapitaMalls Asia expects to have to comply with licensing requirements or to invoke an exemption from such licensing requirements before it is able to manage the new private real estate funds.

CapitaMalls Asia's failure to comply with the terms or restrictions of its Singapore capital markets services licenses or any other licence, or exemption from licensing that CapitaMalls Asia currently relies on or may in future rely on, could result in investigations, sanctions (such as the termination of CapitaMalls Asia's licences and exemptions), reputational damage, or CapitaMalls Asia being unable to continue to manage the relevant REIT or private fund. If such an event were to occur, CapitaMalls Asia's business, financial condition, results of operations and prospects will be adversely affected.

CapitaMalls Asia may also be adversely affected if new or revised legislation or regulations are enacted, or if there are changes in the interpretation or enforcement of existing rules and regulations that apply to it. Such events could increase CapitaMalls Asia's costs of doing business, require CapitaMalls Asia to restructure the way in which it carries on its business, or render CapitaMalls Asia unable to continue all or part of its business, which in turn could adversely affect its business, financial condition, results of operations and prospects.

***There may be conflicts of interest between CapitaMalls Asia and the REITs and private real estate funds in which CapitaMalls Asia holds an interest.***

CapitaMalls Asia generally only manages those REITs and private real estate funds that it has an interest in. For instance, CapitaMalls Asia owns in the aggregate, effective interests of approximately 28.54%, 27.00% and 35.73% in CMT, CRCT and CMMT, respectively, as at the Latest Practicable Date. In addition, CapitaMalls Asia is the mall manager and the REIT manager

of CMT and CRCT and it is the REIT manager of CMMT. As manager, CapitaMalls Asia is thus in a position to influence the activities of the REITs and private real estate funds it has a stake in, and which it manages.

CapitaMalls Asia, its subsidiaries, related corporations and associates, including CapitaLand and its subsidiaries, related corporations and associates, may develop, manage and invest in properties that may compete directly with the existing properties of the REITs and private real estate funds in which CapitaMalls Asia has invested in. Further, CapitaMalls Asia may, in the future, invest in other REITs and funds which may also compete directly with the REITs and private real estate funds that CapitaMalls Asia currently owns and manages. There can be no assurance that the interests of CapitaMalls Asia's existing REITs or private real estate funds will not conflict or be subordinated to CapitaMalls Asia's interests in such circumstances. Furthermore, there can be no assurance that conflicts of interest will not arise in future between CapitaMalls Asia and the REITs and private real estate funds that CapitaMalls Asia has invested in, including in relation to the acquisition of properties and competition for tenants in the relevant markets.

Additionally, CapitaMalls Asia has entered into certain agreements which require it to provide a right of first refusal over properties in Singapore to CMT, properties in Malaysia to CMMT, properties in China to CRCT, the China Income Fund, the China Development Fund and the China Incubator Fund and over retail properties in India to the India Development Fund, which CapitaMalls Asia or any of CapitaMalls Asia's subsidiaries may have identified for acquisition. Such agreements were entered into to address potential conflicts of interest from the perspectives of these entities. In addition, in relation to some of CapitaMalls Asia's private real estate funds, CapitaMalls Asia has undertaken that CapitaMalls Asia will not sponsor the formation of new funds, invest in or act as fund manager of the fund if its primary investment objective competes with those funds, until those funds' commitments have been drawn to the extent provided for under the respective agreements. These agreements may limit CapitaMalls Asia's ability to deal with CapitaMalls Asia's assets freely and without constraints and may limit CapitaMalls Asia's ability to establish new private real estate funds.

#### **4. RISKS RELATING TO THE COUNTRIES IN WHICH CAPITAMALLS ASIA OPERATES**

***CapitaMalls Asia's operations are subject to country-specific risks in Asia, including political, regulatory, economic and currency risks.***

CapitaMalls Asia directly and indirectly, through REITs, private real estate funds or other vehicles through which CapitaMalls Asia invests in and manages, holds a portfolio of retail real estate assets in Singapore, China, Malaysia, Japan and India. All of CapitaMalls Asia's business activities are concentrated in these countries. Accordingly, CapitaMalls Asia is subject to the risks associated with CapitaMalls Asia's business activities in these jurisdictions. CapitaMalls Asia's business, earnings, prospects and value of assets that CapitaMalls Asia owns and manages may be materially and adversely affected by a variety of conditions and developments in the Asia region, including in each of these countries. Such conditions and developments include:

- inflation, interest rates, and general economic conditions;
- governmental policies, laws and regulations, particularly those relating to real estate ownership and asset and fund management of real estate, and changes to such policies, laws and regulations and their implementation and interpretation, which could prevent, delay, increase the cost of or otherwise adversely affect CapitaMalls Asia's ability to invest in, acquire or divest, operate or manage CapitaMalls Asia's investments and CapitaMalls Asia's properties;
- price controls which may impact the price at which CapitaMalls Asia may acquire or divest;
- CapitaMalls Asia's interest in properties, or the rental rate which CapitaMalls Asia is able to charge;

- the ability of CapitaMalls Asia's management to deal with multiple and diverse regulatory regimes;
- potentially adverse tax consequences, from changes to or introduction of tax laws, changes in the interpretation or application of tax laws and tax treaties, to revocation or amendment of tax treaties or tax incentives, that may increase CapitaMalls Asia's cost of investment or carrying on of business, or adversely affect CapitaMalls Asia's ability to receive dividends or other distributions from entities in which CapitaMalls Asia has made investments;
- the risk of nationalisation and expropriation of assets;
- currency controls and other regulations, which may affect CapitaMalls Asia's ability to receive distributions or other dividends from CapitaMalls Asia's subsidiaries or other entities in which CapitaMalls Asia may have any interest, to borrow onshore or offshore where the property or the relevant subsidiary or entity is located, or to carry out acquisition, divestment and capital expenditure plans;
- currency fluctuation risks which could affect the value or carrying cost of CapitaMalls Asia's investments; and
- political and other conditions.

Such conditions, developments and other risks associated with conducting business in multiple jurisdictions, many of which are outside of CapitaMalls Asia's control, may have an adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia is subject to significant government regulation in the countries where it operates.***

The real estate industry in the countries in which CapitaMalls Asia operates is subject to significant government regulation. In particular, regulatory approvals may be required for, among other things, land and title acquisition or divestment, development planning and design, construction, renovation and asset enhancement, 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. Some of these laws and regulations are at times ambiguous and their interpretations and applications can be inconsistent or uncertain, making compliance with them challenging, and may be potentially detrimental to CapitaMalls Asia. If CapitaMalls Asia 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.

For instance, in China, in accordance with the Regulations on Administration of Urban Real Estate Development, property developers are required to have a qualification certificate to undertake property development. Annual renewal of the qualification certificate is subject to review. Developers are permitted to obtain a temporary qualification certificate to undertake property development. A temporary qualification certificate is renewable annually for up to two years with an additional grace period of one year, beyond which a developer must meet certain conditions to upgrade its qualification certificate. The property developer's registered capital, property development investments, history of property development, quality of property construction, expertise of the management or any illegalities on the part of the developer are taken into account by the local authorities in deciding whether to renew or upgrade a qualification certificate. If CapitaMalls Asia fails to obtain or renew the requisite qualification certificates or pass the relevant annual examination, or rectify any default, its business operations will be adversely affected.

In addition, in the countries in which CapitaMalls Asia 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, which can include but are not limited to, 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; in some circumstances, CapitaMalls Asia may apply or may have applied for permits in parallel with preliminary construction activities. 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 CapitaMalls Asia fails to obtain relevant approvals or permits or fulfil the conditions of those approvals for CapitaMalls Asia's property developments, these developments may not proceed as scheduled, and CapitaMalls Asia's business, financial condition, results of operations and prospects may be adversely affected.

***Epidemic diseases in Asia and elsewhere may adversely affect CapitaMalls Asia's operations.***

In late 2003 and 2004, several countries in Asia, including Singapore, China and Malaysia suffered from outbreaks of communicable diseases such as severe acute respiratory syndrome ("SARS") and avian influenza, which adversely affected the economies in Asia. In June 2007, the World Health Organisation ("WHO") reported new cases of human infection of avian influenza in China and Indonesia. In early 2009, outbreaks of H1N1 influenza (commonly referred to as "swine flu") occurred in Mexico and subsequently were detected in Asia. By June 2009, the WHO declared a global flu pandemic. The outbreak of an infectious disease such as avian influenza, SARS or H1N1 influenza in Singapore or elsewhere in Asia could have a negative impact on the region's economy. In particular, an outbreak of a communicable disease such as SARS, in a country in which CapitaMalls Asia has substantial operations may affect CapitaMalls Asia's shopping mall business in several ways, including, but not limited to, a decline in demand for consumer goods, a reduction in the number of visitors to the shopping malls, a decline in sales of tenants of the shopping malls and increased costs of cleaning and maintaining public facilities in the shopping malls. The impact of these factors on the operations of CapitaMalls Asia's portfolio of shopping malls could materially and adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

## **5. RISKS RELATING TO CAPITAMALLS ASIA'S BUSINESS ACTIVITIES IN CHINA**

***CapitaMalls Asia's business may be materially and adversely affected by changes in the PRC's political, economic and social conditions, laws, regulations and policies; CapitaMalls Asia's operations in the PRC are subject to PRC laws and regulations, some of which are relatively new and subject to change.***

Given that a significant portion of CapitaMalls Asia's income is derived from its business in the PRC, its business, results of operations, financial condition and prospects are subject to the risks of future economic, political and legal developments in the PRC. The PRC economy differs from the economies of other developed countries in terms of structure, government intervention, development, growth rate, control of foreign exchange, and resource allocation. Since the late 1970s, the PRC government has been implementing economic reform measures in using market forces to develop the PRC economy and has since transitioned from a planned economy to a more market-oriented economy. The PRC government however continues to play a significant role in regulating industries by promulgating economic policies. CapitaMalls Asia cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on its current or future business, results of operations or financial condition.

CapitaMalls Asia's operations in the PRC are subject to the PRC legal system, which is essentially a civil law system based on written statutes where, unlike common law systems, decided legal cases have little value as precedents. The PRC government had, since 1979, begun promulgating a comprehensive system of laws and regulations governing economic matters in general. These laws and regulations are, however, relatively new and are often changing and published cases concerning these laws and regulations are limited. There may be divergences in their interpretation and enforcement. CapitaMalls Asia cannot predict the effect of future developments in the PRC legal system on its business in China. CapitaMalls Asia may be required in the future to procure additional permits, authorisations and approvals for its existing and future projects and there can be no assurance that CapitaMalls Asia will obtain these in a timely fashion or at all.

***CapitaMalls Asia's ability to identify and acquire suitable land for acquisition and development at commercially reasonable prices may be affected by the PRC government's policies on land supply.***

The PRC government's policies on land supply may affect CapitaMalls Asia's land acquisition costs and its ability to acquire land use rights for future developments. The PRC government controls land supply and regulates the ways in which property developers obtain land for property development. In July 2002, regulations were introduced to require land use rights for commercial property developments be granted by public tender, auction or listing-for-bidding effective from 1 July 2002. Also, on 24 May 2006, the Ministry of Land and Resources announced that financial institutions should be cautious in extending loans and approving financings for enterprises, the real estate projects of which have exceeded one full year from the construction commencement dates as agreed in the land use right grant contracts, and which have completed development of less than one-third of the total land area to be developed or which have invested less than one-fourth of any given building's total investment directly in the construction of the building, and that financial institutions should also strictly control loan extensions and rolling credit. Such measures and any other similar measures in the future may affect property developments. Changes in government policy which reduce land supply for its future acquisition and affect its ability to tender for land may materially and adversely affect CapitaMalls Asia's business, results of operations and financial conditions.

***CapitaMalls Asia may be required to forfeit land if it fails to comply with the terms of land grant contracts.***

Under current PRC law, if CapitaMalls Asia fails to develop a property project according to the terms of the land grant contract, including those relating to the payment of land premium, the designated use of the land and the schedule for commencing and completing the development, the relevant government authorities may issue a warning, impose a penalty and/or liquidated damages, or require it to forfeit the land. Any violation of the land grant contract may also restrict or prevent CapitaMalls Asia from participating in future land bidding.

Under current PRC law, if CapitaMalls Asia fails to commence the development of a parcel of land for more than one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may serve a warning notice on it and impose an idle land fee of up to 20% of the land premium. If CapitaMalls Asia fails to commence development for more than two years from the relevant commencement date stipulated in the land grant contract, the land will be subject to forfeiture to the PRC government. Moreover, even if the commencement of the property development satisfies the stated requirements of the land use rights grant contract, if the developed GFA is less than one-third of the total planned GFA of the project or the total capital invested is less than one-fourth of the total planned investment the project, and development of the land is suspended continuously for more than one year without government approval, the land will still be treated as idle land. In the Notice on Promoting the Saving and Intensification of Use of Land 《国务院关于促进节约集约用地的通知》 promulgated by the State Council in January

2008, the aforesaid policy was reinforced. This notice states, among other things, that the Ministry of Land and Resources and other authorities are required to conduct research on and commence drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the Ministry of Land and Resources issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land 《关于严格建设用地管理促进批而未用土地利用的通知》 in August 2009, which reiterates the current rules regarding idle land. In September 2010, the Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development jointly issued the Notice On Further Strengthening the Administration and Control of Real Estate Land and Construction 《关于进一步加强房地产用地和建设管理调控的通知》, which provides that a property developer and its shareholders will be prohibited from participating in land bidding before any illegal behaviours in which it engages, such as leaving land idle for more than one year without cause, have been completely rectified. There can be no assurance that circumstances leading to the imposition of penalties or liquidated damages on CapitaMalls Asia or the forfeiture of CapitaMalls Asia's land will not arise in the future. If CapitaMalls Asia is deemed as holding land idle for more than one year without cause or are required to forfeit land, it may lose the opportunity to develop the relevant land, its investments in the land, including land premiums paid and development costs incurred, and its ability to bid for other land in the future, any of which could materially and adversely affect its business, prospects, results of operations and financial condition.

***CapitaMalls Asia's business prospects, results of operations and financial condition may be materially and adversely affected if it fails to obtain, or if there is any material delay in obtaining, any of the relevant PRC governmental approvals for its development projects.***

In developing and completing a property development, CapitaMalls Asia is required to obtain various permits, licences, certificates and other approvals including, but not limited to, the State-owned Land Use Rights Certificates 《国有土地使用权证》, Planning Permit for Construction Land 《建设用地规划许可证》, Planning Permit for Construction Works 《建设工程规划许可证》, Permit for Commencement of Construction Works 《建设工程施工许可证》, Pre-sale Permit for Commodity Housing 《商品房预售许可证》 and certificates or confirmation of completion and acceptance from the relevant administrative authorities at various stages of the development of the property project. In particular, CapitaMalls Asia is required to obtain State-owned Land Use Rights Certificates before commencing any property development, and such certificates would generally only be issued after certain conditions have been satisfied. Such conditions include the relevant project company having executed the State-owned Land Use Right Granting Contracts 《国有土地使用权出让合同》 with the relevant authorities whereby the land use right is obtained by grant, provided CapitaMalls Asia has paid the land grant premium in full and relocated the local residents from the site area if so required.

There can be no assurance that CapitaMalls Asia will obtain all necessary certificates and permits for its projects in a timely manner, or at all, and there can be no assurance that CapitaMalls Asia will not encounter problems in fulfilling all or any of the conditions imposed for the grant of the necessary certificates or permits, or that it will be able to expeditiously adapt to new laws, regulations or policies that may come into effect from time to time with respect to the granting of such items. There may also be significant delays in the granting of such items to CapitaMalls Asia by the relevant PRC administrative bodies. If CapitaMalls Asia fails to obtain, or is considered by relevant governmental authorities to have failed to obtain, or experience significant delays in obtaining, the requisite governmental approvals, penalties could be levied on it and its schedule of property development could be substantially disrupted. This could materially and adversely affect CapitaMalls Asia's business, results of operations and financial condition.

***CapitaMalls Asia may be subject to legal and business risks if it fails to obtain, renew or maintain qualification certificates.***

Property developers must obtain a qualification certificate in order to carry out property development in the PRC. According to the Provisions on Administration of Qualification of Real Estate Developers 《房地产开发企业资质管理规定》, newly established property developers must first apply for a provisional qualification certificate, which is valid for one year and can be renewed for a maximum of two additional years. A property developer is required to obtain a formal qualification certificate with an approved class before its provisional qualification certificate expires. Formal qualification certificates are subject to renewal on an annual basis. Government regulations require developers to fulfil all statutory requirements before obtaining or renewing their qualification certificates. In addition, before commencing their business operations, entities engaged in property service are required to obtain qualification certificates in accordance with the Measures for Administration of Qualifications of Property Service Enterprises 《物业服务企业资质管理办法》. Each of CapitaMalls Asia's project companies in China is responsible for the annual submission of its renewal application and shall engage in property developments within its qualification certificate class. If any of CapitaMalls Asia's project companies is unable to meet the relevant qualification requirements, it will generally be given a grace period to rectify any non-compliance and may be subject to a penalty of between RMB50,000 and RMB100,000. Failure to rectify the non-compliance within the grace period could result in the revocation of the qualification certificate and the business license of the relevant project company. There can be no assurance that CapitaMalls Asia's project companies in China will be able to renew its provisional qualification certificates, or obtain or renew its formal qualification certificates in a timely manner, or at all. If any of its project companies in China fails to do so, CapitaMalls Asia's business, prospects, results of operations and financial condition may be materially and adversely affected.

***CapitaMalls Asia investments in the PRC are subject to the PRC government's control over foreign investment in the property sector.***

The PRC government imposes restrictions on foreign investment in the property sector to curtail the overheating of the property sector by, among other things, increasing the capital and other requirements for establishing foreign-invested real estate enterprises, tightening foreign exchange control and imposing restrictions on purchases of properties in China by foreign persons. For example, in May 2007, MOFCOM and SAFE jointly issued the Notice on Further Strengthening and Regulating the Approval and Supervision on Foreign Investment in Real Estate Sector in the PRC 《关于进一步加强，规范外商直接投资房地产业审批和监管的通知》 which, among other things, provides that:

- foreign investment in the property sector in the PRC relating to luxury properties should be strictly controlled;
- prior to obtaining approval for the establishment of foreign-invested real estate enterprises, either (i) both the land use rights certificates and housing title certificates should be obtained, or (ii) contracts for obtaining land use rights or housing titles should be entered into;
- foreign-invested real estate enterprises approved by local authorities shall immediately register with MOFCOM through a filing made by the local authorities; and
- foreign exchange administration authorities and banks authorised to conduct foreign exchange business should not effect foreign exchange settlements of capital account items for those foreign-invested real estate enterprises which have not completed their filings with MOFCOM or fail to pass the annual inspection.

These restrictions imposed by the PRC government on foreign investment in the property sector may affect CapitaMalls Asia's ability to make further investments in its PRC subsidiaries and as a result may limit its business growth and have a material adverse effect on its business, prospects, financial condition and results of operations.

Also, the PRC government has imposed restrictions on the ability of foreign-invested PRC property developers to receive offshore funds. In July 2007, the General Affairs Department of SAFE issued the Circular on Distribution of List of the First Group of Foreign-Invested Real Estate Projects Filed with the Ministry of Commerce 《关于下发第一批通过商务部备案的外商投资房地产项目名单的通知》. The notice stipulates, among other things, (i) that SAFE will no longer process foreign debt registrations or applications for the purchase of foreign exchange submitted by real estate enterprises with foreign investment who obtained authorisation certificates from and registered with MOFCOM on or after 1 June 2007 and (ii) that SAFE will no longer process foreign exchange registrations (or alteration of such registrations) or applications for the sale and purchase of foreign exchange submitted by real estate enterprises with foreign investment which obtained approval certificates from local government commerce departments on or after 1 June 2007 but which did not register with MOFCOM. This new regulation prohibits foreign-invested real estate companies from raising funds offshore for the purpose of injecting such funds into the companies by way of shareholder loans. This notice, however, does not restrict property developers from receiving foreign capital by way of increasing the registered capital of existing foreign-invested companies or through the establishment of new foreign-invested real estate companies, provided that such increase of registered capital or establishment of new company has been duly approved by MOFCOM or its local branches and registered with MOFCOM.

As a foreign-invested PRC property developer, CapitaMalls Asia is subject to this notice. However, there can be no assurance that CapitaMalls Asia will be able to obtain in a timely manner, if at all, all necessary foreign-exchange approval certificates for the deployment of offshore funds, or that CapitaMalls Asia will be able to obtain in a timely manner, if at all, any registration of new foreign-invested subsidiaries or additional registered capital increases in the future. Further, there can be no assurance that the PRC government will not introduce new policies that further restrict its ability to repatriate funds to China. If CapitaMalls Asia's ability to repatriate funds to China is limited, its liquidity and its ability to fund and expand its business could be adversely and materially affected.

In addition, any capital contributions made to CapitaMalls Asia's operating subsidiaries in China are also subject to the foreign investment regulations and foreign exchange regulations in the PRC. For example, in accordance with a circular promulgated by SAFE in August 2008 with respect to the administration of conversion of foreign exchange capital contribution of foreign invested enterprises into Renminbi 《关于完善外商投资企业外汇资本金支付结汇管理有关业务操作问题的通知》, unless otherwise permitted by PRC laws or regulations, Renminbi capital converted from foreign exchange capital contribution can only be applied to the activities within the approved business scope of such foreign-invested enterprise and cannot be used for domestic equity investment or acquisition. Pursuant to this listing document, CapitaMalls Asia may encounter difficulties in increasing the capital contribution to its project companies and subsequently converting such capital contribution into Renminbi for equity investment or acquisition in China. There can be no assurance that CapitaMalls Asia will be able to obtain these approvals on a timely basis, or at all. If CapitaMalls Asia fails to obtain such approvals, CapitaMalls Asia's ability to make capital contributions to CapitaMalls Asia's project companies as their general working capital or to fund their operations may be negatively affected, which could materially and adversely affect CapitaMalls Asia's business, prospects, financial condition and results of operations.

***Governmental control over currency conversion may limit the ability of those PRC entities in which CapitaMalls Asia has interests to utilise cash effectively and affect their ability to pay dividends to CapitaMalls Asia.***

A significant portion of CapitaMalls Asia's revenue is denominated in Renminbi. The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade related transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from SAFE or its local branch is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions.

Shortages in the availability of foreign currency may restrict the ability of those PRC entities in which CapitaMalls Asia has interests to remit sufficient foreign currency to pay dividends or other payments to CapitaMalls Asia, or otherwise satisfy their foreign currency-denominated obligations. If the PRC foreign exchange control system limits the ability of those PRC entities in which CapitaMalls Asia has interests to pay dividends to CapitaMalls Asia, this may have an adverse impact on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***Fiscal tightening measures in the PRC may adversely affect CapitaMalls Asia's ability to obtain financing, or to obtain financing at acceptable rates.***

Fiscal tightening measures have resulted in a rise in interest rates in China since CapitaMalls Asia's initial listing on the SGX-ST, with the People's Bank of China's ("PBOC") 12-month benchmark bank lending interest rate increasing from 5.31% to 6.56% and the PBOC over five-year benchmark bank lending interest rate increasing from 5.94% to 7.05% from November 2009 to 30 September 2011. The average interest rate for CapitaMalls Asia's Renminbi-denominated borrowings for the six months ended 30 September 2011, which comprised 9.2% of its total borrowings as at 30 September 2011, was 6.6%. Interest rates in China may continue to rise, resulting in increases in financing costs which may materially and adversely affect CapitaMalls Asia's overall business, financial condition and results of operation.

Furthermore, the PBOC has adjusted the deposit reserve ratio for banks and other financial institutions several times in the past few years, increasing the rate for commercial banks from 15.5% at the beginning of 2010 to a record high of 21.5% in September 2011. The deposit reserve ratio refers to the amount of funds that banks must hold in reserve against deposits made by their customers. The increase of the deposit reserve ratio may negatively impact the amount of funds available to be lent to business, including CapitaMalls Asia, by commercial banks in the PRC. The central and local authorities may continuously adjust interest rates and other economic policies or impose other regulations or restrictions that may have an adverse effect on the property market in the PRC, which may adversely affect CapitaMalls Asia's business.

***CapitaMalls Asia's companies may not qualify as "beneficial owners" for purposes of tax treaty access and therefore may be denied treaty benefits in relation to their China-sourced dividends (and interest, if any).***

The China tax authorities have issued a number of circulars on the procedures for seeking benefits under China's network of tax treaties and the circumstances in which a non-resident recipient of China-sourced income would qualify as "beneficial owner" for access to such tax treaties.

In particular, the China State Administration of Taxation (“SAT”) issued Guoshuifa [2009] 124 (“**Circular 124**”) on 24 August 2009, which came into effect on 1 October 2009, to further regulate the China tax administration for non-residents seeking to enjoy tax treaty benefits. Pursuant to Circular 124, if a non-resident is eligible for tax treaty benefits on dividends, interest, royalties and capital gains, it should comply with the relevant application and registration procedures with the China tax authorities including the filing of prescribed documents. One of the prescribed documents requires a non-resident enterprise to provide detailed information including description of the non-resident’s major business operations, number of employees and total amount of gross income generated in its home jurisdiction. This information would then form the basis of the China tax authorities’ assessment on whether tax treaty relief would be granted.

In addition to Circular 124, the non-resident should also be the beneficial owner of the China-sourced dividends, interest and royalties for tax treaty access purposes. In this regard, the SAT subsequently issued Guoshuifa [2009] 601 providing guidance in the interpretation of “beneficial owner” when an applicant is applying for tax treaty access on dividends, interest and royalties under the tax treaty network of China.

Further, with the introduction of the China General Anti-Avoidance Rules under the China corporate income tax regime, if an enterprise carries out any business arrangements without reasonable business purposes (i.e. the primary purpose is to reduce, avoid or defer China tax payment) which result in reduction of its taxable revenue or income, the China tax authorities are empowered to make adjustments on the income of taxpayers using reasonable methods. The China tax authorities will adopt the “substance-over-form” approach in assessing whether the enterprise has entered into tax avoidance arrangements and any tax benefits associated with tax-avoidance schemes may be denied.

In light of the above, there is no assurance that CapitaMalls Asia’s companies will necessarily be able to benefit from the reduced withholding tax rate provided under the applicable tax treaty.

***CapitaMalls Asia’s non-China entities may be classified as a “China tax resident enterprise” for China Corporate Income Tax purposes, which could result in unfavourable tax consequences to it.***

The China Corporate Income Tax Law provides that enterprises established outside China whose “*de facto* management bodies” are located in China are considered “China tax resident enterprises” and would be subject to the uniform corporate income tax rate, currently 25.0% on their worldwide income. Under the detailed implementation rules of the China Corporate Income Tax Law, a “*de facto* management body” is defined as a body that has substantive and overall management and control over the business operations, personnel, finance and assets of an enterprise.

The SAT issued Guoshuifa [2009] 82 (“**Circular 82**”) on 22 April 2009 to clarify the meaning of “*de facto* management bodies” in relation to offshore enterprises whose major shareholders are enterprises or groups within the territory of China. However, the SAT has not issued any guidance on the application of the China Corporate Income Tax Law and its implementation rules in relation to offshore enterprises which are controlled by non-China shareholders. It is possible that the China tax authorities may make reference to Circular 82 for the purpose of determining whether an entity established outside China and controlled by non-China shareholders is a China tax resident enterprise.

CapitaMalls Asia has significant operations in China, and holds its property interests in China through various entities, including through subsidiaries, REITs, private real estate funds, joint ventures and other vehicles. If any entity outside China in which CapitaMalls Asia has an interest is deemed as a “China tax resident enterprise” for China Corporate Income Tax purposes, such an entity will be subject to corporate income tax, currently at the rate of 25.0% on its worldwide

income. In addition, any dividend paid by such an entity which is deemed as a China tax resident enterprise to its foreign shareholders may be subject to China withholding tax at 10.0% or the reduced withholding tax rate under the applicable tax treaty or agreement. If any of these events occurs, CapitaMalls Asia's business, financial condition, results of operations and prospects may be adversely affected.

***Gain on the sale of equity interests in CapitaMalls Asia's non-China entities may be subject to China Corporate Income Tax.***

Guoshuifa [2009] 698 was issued by the SAT on 10 December 2009 (but applies retroactively from 1 January 2008) to regulate and strengthen the Corporate Income Tax administration of capital gains derived by non-residents through direct or indirect transfer of China equity interest. It covers tax filing and tax payment responsibility for the non-resident seller in the case of a direct disposition, as well as the reporting responsibility for the non-resident seller in the case of an indirect disposition.

In the event of a disposal of equity interest in any of CapitaMalls Asia's non-China entities and such disposal is treated as an indirect transfer of China equity interest, any gains arising from such disposal may be subject to China Corporate Income Tax at the rate of 10.0%.

***There is uncertainty about the quantum of land grant premium which has to be paid and additional conditions which may be imposed in the event an extension of the land use rights for the properties in which CapitaMalls Asia has an interest is sought.***

CapitaMalls Asia's interests in the majority of its properties in China are evidenced by land use rights granted by the Chinese government. Upon the expiration of the terms of the land use rights, the land use right as well as the ownership of these properties, except for the land use right for residential purposes (the extension of the term of which is automatic), will revert to the Chinese government unless the land user applies for an extension of the term of such land use rights and the application is approved. If an application for extension is granted, the land user will be required to, among other things, pay a land grant premium. As none of the land use rights granted by the Chinese government similar to those granted for the properties has, as at the date of this Offer Information Statement, run its full term, there is no precedent to provide an indication of the quantum of land grant premium which CapitaMalls Asia will have to pay and additional conditions which may be imposed if CapitaMalls Asia decides to seek an extension of the land use rights for the relevant properties upon the expiry thereof and this could have an adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

***CapitaMalls Asia's business is affected by the performance of the property market in China, which is at a relatively early stage of development.***

Private ownership of property in the PRC is still in a relatively early stage of development. Although demand for private property in the PRC has been growing rapidly in recent years, such growth is often coupled with volatility in market conditions and fluctuation in property prices. It is extremely difficult to predict how much and when demand will develop, as many social, political, economic, legal and other factors, most of which are beyond CapitaMalls Asia's control, may affect the development of the property market. The level of uncertainty is increased by the limited availability of accurate financial and market information as well as the overall low level of transparency in the PRC. Such uncertainty may have an adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

The lack of a liquid secondary market for residential real estate may discourage investors from acquiring new properties as resale is not only difficult, but can also be a long and costly process.

The limited amount of property mortgage financing available to PRC individuals, compounded by the lack of security of legal title and enforceability of property rights, may further inhibit demand for property developments.

***It may be difficult to enforce judgments obtained from non-PRC courts in China.***

A significant portion of CapitaMalls Asia's business is carried out in China, and CapitaMalls Asia may be required to enforce in China judgments obtained from courts of other jurisdictions. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced in the PRC if that jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of prescribed requirements. The PRC may not have the relevant treaties providing for the reciprocal acknowledgement and enforcement of judgments of courts with the United States and most other western countries. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions may be difficult.

***CapitaMalls Asia is subject to the credit and performance risk of vendors for certain transactions where payment arrangements on a temporary basis have been made offshore.***

Some of CapitaMalls Asia's investments in China have been structured in a manner where payments have been made outside China on a temporary basis to a counterparty before the relevant Chinese approvals and procedures for the investments within China have been obtained or completed. The payments are generally temporary in nature to secure the counterparty's commitment to the transaction. CapitaMalls Asia is exposed to the credit and performance risk of the counterparty with respect to the timely and full return of the offshore payments once the requisite Chinese regulatory approvals and procedures for the investments into China have been obtained. Chinese regulatory guidelines on capital flows and the debt-to-equity ratio of real estate owning companies may result in CapitaMalls Asia's having to secure borrowings within China to satisfy the payment of the consideration for its investments. These onshore borrowings may have to occur before amounts paid offshore to the counterparty can be repaid to CapitaMalls Asia. There can be no assurance that CapitaMalls Asia will be able to borrow locally on commercially acceptable terms or at all. CapitaMalls Asia's counterparty may also be subject to regulatory requirements in the repatriation offshore of payments made to it within China, which could also result in a delay or default in the repayment of the offshore payments by the counterparty to CapitaMalls Asia. If any of such events occur, CapitaMalls Asia's potential investment into China may fail, and CapitaMalls Asia may be unable to recover any part of the offshore payments CapitaMalls Asia may have made in connection with such a potential investment.

## **6. RISKS RELATING TO CAPITAMALLS ASIA'S BUSINESS ACTIVITIES IN MALAYSIA**

***CapitaMalls Asia may be unable to obtain relevant approvals from the Malaysian state authorities.***

Approval of the state authorities is required prior to any acquisition, transfer or disposal of interests in land or any creation of a lease or a charge over certain types of the land in Malaysia. Any acquisition, transfer or disposal of interest in land in favour of any foreign interest requires the approval of the state authorities under the relevant land legislations.

However, there can be no assurance that the Malaysian state authorities will approve the application for approval to transfer land or disposal of interest in land.

In the event that CapitaMalls Asia wishes to acquire any real property in Malaysia or realise its investments in Malaysia which require such approvals, by transferring or disposing the same,

there can be no assurance that CapitaMalls Asia will be able to obtain the necessary approvals to do so, in a timely manner or at all. If such an event occurs, CapitaMalls Asia's proposed acquisition or disposal may not be completed in a timely manner or at all and as a result of which CapitaMalls Asia's business, financial condition, results of operations and prospects may be adversely affected.

***CapitaMalls Asia may face risks relating to taxation in Malaysia.***

Malaysia has introduced thin capitalisation legislation from 1 January 2009 that disallows a deduction for interest and other financial charges in respect of financial assistance granted by associated persons which are deemed to be excessive by the Malaysian tax authorities.

The Malaysian Ministry of Finance has announced that the implementation of such thin capitalisation rules is deferred to after the end of December 2012. In the meantime, a review of the implementation of the thin capitalisation rules will be carried out by the Ministry of Finance from time to time.

Should there be a change and such legislation is enforced, it is possible that a significant portion of the interest paid by the Malaysian companies which are thinly capitalised will be disallowed as a deduction leading to a significant increase in the Malaysian tax charged on these companies.

## **7. RISKS RELATING TO CAPITAMALLS ASIA'S BUSINESS ACTIVITIES IN JAPAN**

***CapitaMalls Asia's business in Japan may be affected by the recent earthquakes and tsunami of 11 March 2011.***

On 11 March 2011, the area around Fukushima, north of Tokyo on the island of Honshu in northern Japan, experienced a severe earthquake and tsunami which caused significant damage to buildings and infrastructure in the region, including a nuclear power plant. There have been several aftershocks in the months following the initial earthquake, resulting in further damage, and there may continue to be sustained disruptions and further collateral damage, particularly relating to the damage suffered by the nuclear power plant.

As a result of these events, some rating agencies have lowered their outlook on Japan to "negative", with economists predicting that the Japanese economy will expand at a slower pace in the coming year. Furthermore, in addition to material damage caused by the earthquake and tsunami, consumer spending has been affected. The Japanese government has reported that retail sales in March 2011 declined 8.3% from the same period a year earlier, the biggest drop in 13 years.

As at 30 September 2011, CapitaMalls Asia has seven properties in Japan which amounted to approximately 1.7% of the total property value of the Group's portfolio, based on effective interest. Although none of CapitaMalls Asia's properties is located in the vicinity of Fukushima or the immediately surrounding area, and none of CapitaMalls Asia's properties was materially damaged by the earthquake and tsunami, as a result of these events there may be reductions in shopper traffic and consumer spending at CapitaMalls Asia's shopping malls, loss of income for its tenants and ultimately, defaults in lease payments, resulting in a material adverse effect on its business.

***CapitaMalls Asia faces risks arising from certain types of leases at its Japanese properties that must be extended automatically.***

In Japan, leases are in general statutorily extended automatically at the option of the tenant, on the same terms and conditions upon expiry, and the landlord is required to obtain the tenant's consent before disallowing an extension of the lease. Under the Japanese Land Lease and

Building Lease Law, the landlord may only unilaterally refuse to renew an ordinary lease if such refusal to extend can be justified. The existence of “justifiable grounds” is narrowly determined by considering a combination of factors relating to the specific characteristics of each lease and its history, on a case-by-case basis. As a result, in the event that the tenant does not agree to an increase in rent or other revisions in the terms and conditions of the lease, as landlord or manager of the Japanese properties, CapitaMalls Asia may be unable to refuse to renew the lease unilaterally and the lease will have to continue based on the existing terms and conditions, unless there are justifiable grounds for disallowing the non-renewal of the lease. Such an arrangement restricts the ability of landlords and owners of Japanese retail properties to amend the terms of the lease or terminate the lease in the event an agreement is not reached.

***Some of the properties CapitaMalls Asia acquires in the future may be in the form of co-ownership (kyoyu) and its rights relating to such properties may be affected by the intentions of other owners.***

Properties CapitaMalls Asia acquires in the future may be in the form of co-ownership interests. Under Japanese law, a co-owner of property has the right to sell its interests in the property without the consent of the other co-owners, unless there is an agreement between the co-owners that requires such consent or grants a right of first refusal. In general, a co-owner has the right to demand that such property be partitioned. Although special provisions may be included to contractually prohibit the exercise of such right of partition, such provisions are only valid for a period of five years (which may in turn be renewed for subsequent periods of five years). If a co-owner of one of CapitaMalls Asia’s properties becomes subject to bankruptcy proceedings, corporate reorganisation or civil rehabilitation proceedings, the trustees in the proceedings of such co-owner may have the right to demand that such property be partitioned. Although the other co-owners of the property may, if so agreed, have a right of first refusal to purchase the ownership interests of the defaulting or selling co-owner, CapitaMalls Asia may not be able to exercise such rights on favourable terms. In addition, a sale of CapitaMalls Asia’s co-ownership interests under such circumstances may result in liquidation proceeds that are less than the appraisal value of the property or interests being sold, which would have an adverse effect on its business and results of operations.

A co-owner of a property may mortgage its interest in the property. However, such mortgage becomes applicable to the entire property when the co-owned property is partitioned. Accordingly, each of the co-owners in such case would be subject to such mortgage in proportion to its ownership interests. There is a risk that CapitaMalls Asia’s interests in properties that were formerly owned through co-ownership and owned by it independently following a partition may be subject to a mortgage that was placed by a former co-owner.

***The tenants of CapitaMalls Asia’s Japanese properties are granted a right under the Land Lease and Building Lease Law (Shakuchi-shakuya-hou) and the Building Lease Law (Shakuya-hou) to unilaterally reduce the rent.***

Under the Japanese Land Lease and Building Lease Law and the Japanese Building Lease Law, tenants are granted a statutory right to require a reduction in rent payable, as long as they are able to justify the exercise of their right on the grounds of unreasonable rental rates, whether resulting from a change in the applicable tax rates or other costs, the value of the building or land, or economic conditions, or in comparison with rental rates in other comparable buildings in the vicinity, etc. Under Japanese law, a landlord is unable to increase rent if the lease agreement provides that rent increases are prohibited. However, a tenant may in general request for a reduction in rent, even though the lease agreement contains a prohibition against rent reductions. Furthermore, the exercise of the right to rent reduction by a tenant cannot form the basis on which

a landlord may terminate the lease. Such rules may adversely affect the value of CapitaMalls Asia's investment in and the income CapitaMalls Asia may generate from CapitaMalls Asia's interests in properties in Japan.

***CapitaMalls Asia's properties in Japan may violate earthquake resistance building codes, requiring expenditure by CapitaMalls Asia to strengthen or destroy the properties or repair extensive damage caused to the properties during an earthquake.***

In Japan, architectural plans for buildings must be checked by either a licensed third-party engineering firm, an architect or a local government for compliance with building codes, including earthquake resistance standards. The level of complexity of structural calculations makes it difficult to audit the work of firms, architects or governments that performed the calculations when a building was originally designed and built. Furthermore, in November 2005, a Japanese architect admitted to falsifying structural strength calculations when checking the architectural plans of buildings for compliance with earthquake resistance building codes. More recently, in January 2007, it was discovered that two hotels did not comply with the earthquake resistance building codes as a Japanese architect had falsified structural strength calculations. Although the architectural standards were improved in 2009, there is no guarantee that new standards will prevent falsification of structural strength calculations by architects.

Therefore, there can be no assurance that CapitaMalls Asia's properties in Japan will not subsequently be discovered to have also been built in violation of earthquake resistance building codes. CapitaMalls Asia may be required to spend large sums of money and dedicate significant resources to strengthen or destroy the affected properties. Furthermore, these non-compliant properties may collapse or suffer extensive damage even in a minor earthquake. Should any of CapitaMalls Asia's properties in Japan be heavily damaged or endanger lives during an earthquake, CapitaMalls Asia may be required to compensate victims, incur huge costs to repair or destroy the affected property, and CapitaMalls Asia may suffer a loss of rental revenues. These losses and expenditures may exceed any indemnity, damages awarded or insurance proceeds which may be paid to CapitaMalls Asia. This could adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

## **8. RISKS RELATING TO CAPITAMALLS ASIA'S BUSINESS ACTIVITIES IN INDIA**

***CapitaMalls Asia's title over land in India in which it has an interest may be subject to legal uncertainties and defects and expose CapitaMalls Asia to legal disputes.***

The method of documentation of land records in India has not been fully computerised and India does not have a central title registry for real property. Land records and related documents are primarily updated manually. This could result in such records being inaccurate. The land records are often hand-written in local languages and may not be legible, making it difficult to ascertain the contents of the records. In addition, the land records are often in a poor condition and at times untraceable, which materially impedes the title investigation process. Further, title insurance is not commercially available in India to guarantee title or developmental rights in respect of land. Therefore, title records provide only for presumptive title rather than a guaranteed title to the land. The difficulties in verifying title to land, may increase CapitaMalls Asia's exposure to third-parties claiming title to the property. This could even result in a loss of title to the property, affect valuations of the property, or otherwise materially prejudice the development of the property which could in turn have an adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects.

More often than not, the title to land is fragmented and it is possible that land relating to one property may have come from multiple owners. Some lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be

subject to encumbrances that CapitaMalls Asia or the entities in which CapitaMalls Asia has interests may not be aware of. Further, CapitaMalls Asia may be unable to identify potential disputes, unregistered encumbrances or adverse possession rights on the title to the land that CapitaMalls Asia purchases. The uncertainty of title to land makes the acquisition process more complicated. It may also impede the transfer of title, thereby exposing CapitaMalls Asia or the entities in which CapitaMalls Asia has interests to legal disputes and adversely affect land valuations.

Further, independent verification of title over land in India may be difficult and time-consuming. While CapitaMalls Asia generally conducts necessary searches of land title prior to the purchase/acquisition of land for its development purposes in-house and seeks to retain lawyers to conduct due diligence and assessment exercises and/or provide CapitaMalls Asia title search reports, written or otherwise, prior to acquiring land, entering into joint or sole development agreements with land owners, and undertaking projects, it is impracticable for counsel to give legal opinions satisfying various technical legal requirements which arise out of court decisions because of the uncertainties discussed above.

Property litigation in India is generally very time-consuming and litigation with respect to land ownership in India is common (including public interest litigation). Legal disputes in respect of land title may take several years and considerable expense to resolve if they become the subject of court proceedings. If any property in which CapitaMalls Asia has an interest is subject to any litigation, this could delay a development project. Any judgment obtained in the Indian courts in respect of the ownership of or title to any particular development may also be difficult or time-consuming to enforce, if at all enforceable.

***Ambiguity in Indian laws governing foreign direct investment in the real estate sector may adversely affect CapitaMalls Asia's investments made in India or hamper its ability to make further investments in India.***

Foreign direct investment in India is governed by laws including the Foreign Exchange Management Act, 1999 and the regulations made by the Reserve Bank of India thereunder. Additionally, Circular 2 of 2010 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India contains the consolidated policy for foreign direct investment in India ("**Consolidated FDI Circular**"). The Consolidated FDI Circular imposes certain conditions on investment in development of townships, housing, built-up infrastructure and construction development projects. However, the Consolidated FDI Circular is subject to differing interpretations. For example, while the Consolidated FDI Circular has clarified that a lock-in period of three years would apply from the date of receipt of each tranche of Foreign Direct Investment, or from the date of completion of minimum capitalisation, whichever is later, it is still not clear as to whether the lock-in for each tranche shall apply only to funds infused after 1 October 2010, or whether it will also apply for tranches infused prior to 1 October 2010. In addition, although the Consolidated FDI Circular stipulates that funds have to be brought in within six months of "commencement of business of the company", the term "commencement of business of the company" has not been defined or explained and may also be subject to differing interpretations. CapitaMalls Asia cannot predict the position the Government of India will take in interpreting such provisions of and the Consolidated FDI Circular. An interpretation by the Government of India of the Consolidated FDI Circular that is adverse to the investments that CapitaMalls Asia has made in India, could result in a partial or total reversal of such investment and may otherwise adversely affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

## ***CapitaMalls Asia faces risks relating to taxation in India.***

### *Risks arising from changes in tax laws and regulations.*

The income and gains derived from investment in companies engaged in construction development projects in India will be subject to various types of taxes in India, including income tax, dividend distribution tax, and any other taxes which may be specific to the areas in which the properties are located, or that may be imposed specifically on ownership of real estate in India. All of these taxes, which are subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from CapitaMalls Asia's Indian properties and hence CapitaMalls Asia's profitability.

The income from leasing of properties may be taxed as "business income" or "income from house property" under Indian tax laws and each of these have different computational mechanisms. Currently, the position under the domestic tax laws for classification of income derived from the business of leasing properties is not settled and thus would depend upon the judicial precedents and the facts and circumstances of each case. However, the draft Direct Tax Code Bill 2010 ("**DTC**") proposed to be implemented from 1 April 2012 (as discussed below) provides that income from leasing of properties (subject to exception in respect of special economic zone, hotel, hospital, convention centre, cold storage), will be classified as "Income from house property" notwithstanding that letting is in the nature of trade, commerce or business.

Currently, gains arising from the sale of shares in companies engaged in construction development projects are considered as liable to capital gains tax in India arising from the sale of shares. In future, there may be a possibility that Indian revenue authorities may contend that income from sale of shares held in a company engaged in construction development projects (where the underlying assets primarily comprise real estate properties) are not eligible for a capital gains exemption (as provided in the applicable tax treaty) in respect of capital gains from the sale of shares, and instead taxable as income from immovable property and hence taxable in India.

Recent judicial precedents and positions adopted by the Indian revenue authorities suggest that the Indian revenue authorities are seeking to levy taxes on the indirect change in ownership of Indian companies through the sale of offshore companies and this is being contested before the Indian judicial authorities. The decision of the Indian judicial authorities or a change in law to this effect could have material adverse Indian tax consequences on the future sale of offshore companies that indirectly own shares in Indian companies.

In addition, the DTC, which was placed before the Indian Parliament on 30 August 2010 and is envisaged to come into force from 1 April 2012, proposes to consolidate direct taxes under a common tax code. The DTC proposes to subject to tax income arising in the hands of a non-resident on transfer outside India of any share or interest in a foreign company, if the fair market value of assets in India (indirectly owned by foreign company) represents 50.0% or more of the fair market value of all assets held by the foreign company at any time in 12 months preceding the transfer of share or interest in foreign company. Some of the changes proposed pursuant to the DTC include: (i) the introduction of General Anti Avoidance Rules ("**GAAR**"), a broad set of provisions that has the effect of invalidating an arrangement that has been entered into by a taxpayer with the main objective of obtaining a tax benefit (reduction, avoidance or deferral of tax). Consequentially, the Indian revenue authorities are granted powers to disregard the transaction and adjust the income of the taxpayer so as to counteract the attendant tax advantage, (ii) modifying the test of residency for foreign companies to treat a foreign company as a resident in India based on the existence of a "place of effective management" in India, and (iii) levying Branch Profit Tax at 15% in addition to income tax on foreign companies having a permanent establishment or immovable property in India.

In addition, it is proposed that the DTC would override the provisions of Double Taxation Avoidance Agreements (i.e. tax treaties) in a situation where GAAR is invoked, Controlled Foreign Company Rule is invoked or Branch Profit Tax is levied. All these proposed changes could have material adverse Indian tax consequences for CapitaMalls Asia's activities and operations in India and affect CapitaMalls Asia's business, financial condition, results of operations and prospects.

*Risks relating to the renegotiation of the India-Mauritius Double Taxation Avoidance Agreement.*

Investors should note that the taxation of income of the Mauritius Special Purpose Vehicles ("**Mauritius SPVs**") arising from its investments in India is expected to be benefited by the provisions of the tax treaty between India and Mauritius. No assurance can be given that the terms of this tax treaty will not be subject to renegotiation in the future. There can also be no assurance that this tax treaty will continue to remain in force. Further, the Indian tax authorities may seek to take a position that the Mauritius SPVs and/or the investors in the Mauritius SPVs are not entitled to the benefit of the tax treaty.

*Risks relating to exposure to permanent establishment.*

While CapitaMalls Asia believes that its activities and those of any of its non-Indian companies with respect to Indian investments should not create a permanent establishment in India, and that no portion of its profits are taxable in India, there is a risk that the Indian tax authorities could take a contrary view. If for any reason CapitaMalls Asia or any of its non-Indian companies with respect to Indian investments is held to have a permanent establishment in India, the profits earned by CapitaMalls Asia or any of such entities could be subject to tax in India.

## **9. RISKS RELATING TO CAPITALAND**

***CapitaMalls Asia may have to pay to use or may not be able to use the "Capita" name and related marks and logos.***

CapitaMalls Asia has entered into the Licence Agreement with CapitaLand whereby CapitaLand has granted CapitaMalls Asia a licence to use, *inter alia*, the "CapitaMall", "CapitaMalls", "CapitaMalls Asia", "CapitaRetail", "CapitaCard", "CapitaVoucher", "凯德商用" and "嘉德置地" marks in CapitaMalls Asia's business for a nominal consideration of a one-off payment of S\$1.00. However, the Licence Agreement provides that if the Collaboration Agreement with CapitaLand is terminated, CapitaMalls Asia will be required to pay an annual licence fee equal to 1.0% of the value of the total consolidated assets of CapitaMalls Asia's Group (based on CapitaMalls Asia's latest audited accounts) under the Licence Agreement. The Licence Agreement may be terminated forthwith, *inter alia*, by CapitaLand when it holds less than an aggregate of 15.0% direct and deemed interest in the issued and paid-up share capital of CapitaMalls Asia, or ceases to be CapitaMalls Asia's single largest shareholder based on the aggregate of its direct and deemed interest in the issued and paid-up share capital of CapitaMalls Asia, or if CapitaMalls Asia or CapitaMalls Asia's sub-licensees change CapitaMalls Asia's or their respective names or part thereof. CapitaMalls Asia may terminate the Licence Agreement by giving three months' notice if CapitaLand holds less than an aggregate of 15.0% direct and deemed interest in the issued and paid-up share capital of CapitaMalls Asia or upon all the entities in CapitaMalls Asia's Group and the associated companies in which CapitaMalls Asia has an interest changing their names such that each of them no longer incorporates "CapitaMall", "CapitaMalls", "CapitaRetail", "CapitaCard" or "CapitaLand" as part of their names.

If any of these events occur, CapitaMalls Asia and CapitaMalls Asia's sub-licensees will not be able to use the aforesaid marks and, as a result, will have to change the names that CapitaMalls Asia or they use in CapitaMalls Asia's or their businesses. This could adversely affect the perception of investors in CapitaMalls Asia or in the joint ventures, REITs, private real estate funds or other vehicles in which CapitaMalls Asia co-invests or which CapitaMalls Asia manages, and of financiers, tenants or visitors to the shopping malls in which CapitaMalls Asia has an interest, or of other counterparties, as to CapitaMalls Asia's credibility, creditworthiness, and abilities,

which in turn may have a material adverse effect on CapitaMalls Asia's business, financial condition, results of operations and prospects. Notwithstanding the above, the use of certain marks by CMT and CRCT shall survive the termination of the Licence Agreement subject to certain exceptions.

***CapitaMalls Asia's business is significantly influenced by its relationship with CapitaLand.***

CapitaMalls Asia is substantially owned by CapitaLand.

CapitaMalls Asia has entered into the Collaboration Agreement with CapitaLand, whereby CapitaMalls Asia and CapitaLand have agreed on the approach with respect to certain retail and non-retail real estate investment opportunities to address any potential conflicts of interest that may arise between it and the CapitaLand Group. The Collaboration Agreement contains certain conditions and specific thresholds under which both parties agree not to compete against each other.

CapitaMalls Asia has also entered into various arrangements with the CapitaLand Group pursuant to which the CapitaLand Group will provide to the Group advisory and other services in relation to, *inter alia*, administration, information technology, human resource, tax, treasury, risk management and corporate communications and marketing, as well as the Licence Agreement under which CapitaMalls Asia has been granted a licence to use, *inter alia*, the "CapitaMall", "CapitaMalls", "CapitaMalls Asia", "CapitaRetail", "CapitaCard", "CapitaVoucher", "凱德商用" and "嘉德置地" marks.

In the event that (i) CapitaMalls Asia is unable to leverage on the brand name, business network and expertise of CapitaLand in any material respect for any reason (including as a result of the Collaboration Agreement being terminated), (ii) CapitaMalls Asia is otherwise unable to be the vehicle through which CapitaLand will invest in or jointly develop the types of retail properties specified in the Collaboration Agreement, (iii) there is a material change in business strategy, key management or major shareholder of CapitaLand, or (iv) a sell down by CapitaLand is viewed adversely by investors and others whom CapitaMalls Asia may do business or contract with, CapitaMalls Asia's business, financial condition, results of operations and prospects may be adversely affected. In addition, the terms of some of the financing arrangements and other debt instruments in respect of the Group and its investments require that CapitaMalls Asia continues to remain a subsidiary of or otherwise affiliated with CapitaLand. There can be no assurance that CapitaLand will not reduce its shareholding in CapitaMalls Asia in the future, or that any agreements CapitaMalls Asia enters into in the future will not contain such terms that impose a shareholding requirement in CapitaMalls Asia on CapitaLand, or that CapitaMalls Asia will be able to ensure that such terms, if any, will not be breached. If any such events occur, CapitaMalls Asia's ability to borrow and CapitaMalls Asia's business, financial condition, results of operations and prospects may be adversely affected.

***CapitaLand is a controlling shareholder of CapitaMalls Asia and shareholders' approval may be required for certain transactions between CapitaLand and it.***

CapitaLand is deemed a controlling shareholder of CapitaMalls Asia under the SGX Listing Manual as well as the HKEx Listing Rules. Under the SGX Listing Manual, a "controlling shareholder" is defined to be a person who holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in a company, or in fact exercises control over a company. As such, if for the purposes of the SGX Listing Manual, CapitaLand is regarded as in fact exercising control over CapitaMalls Asia, CapitaLand may still be deemed as CapitaMalls Asia's "controlling shareholder" even if its shareholding falls below 15.0%. For so long as CapitaLand remains a controlling shareholder, if it has an interest (direct and indirect) of 30.0% or more in any entity (including any REIT or private real estate funds managed by CapitaMalls

Asia) in the future, such entity will be regarded as an associate of CapitaLand and any transaction between CapitaMalls Asia and such entity will be an interested person transaction under the SGX Listing Manual. If the value of such transaction exceeds the prescribed thresholds in the SGX Listing Manual, such transaction will require the prior approval of CapitaMalls Asia's shareholders in a general meeting, and this may delay or hinder the transaction and the process by which CapitaMalls Asia may effect the transaction. In the event that CapitaMalls Asia is unable to obtain shareholders' approval for such transactions, its ability to expand its business will be restricted and this may adversely affect its business, financial condition, results of operations and prospects.

***There may be potential conflicts of interests between CapitaMalls Asia and CapitaLand.***

CapitaLand is engaged in the investment in, and the development and management of, among other things, a large portfolio of properties, including properties with a retail component. As a result, there may be circumstances where CapitaMalls Asia's investments compete directly with the properties that CapitaLand operates (by itself or with another joint venture partner).

CapitaMalls Asia has entered into the Collaboration Agreement pursuant to which CapitaLand has covenanted that it will not, amongst others, engage in, carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be interested in (whether as trustee, principal, agent, shareholder, unitholder or in any other capacity) any pre-agreed area of business of CapitaMalls Asia as set out in the Collaboration Agreement.

CapitaMalls Asia entered into the Collaboration Agreement to address any potential conflicts of interest that may arise between it and the CapitaLand Group. Except as provided for in the Collaboration Agreement, CapitaMalls Asia and CapitaLand may not compete against each other. The Collaboration Agreement contains certain conditions and specific thresholds under which both parties agree not to compete against each other. As such, the Collaboration Agreement does not cover all eventualities. Accordingly, CapitaLand may nevertheless potentially compete with CapitaMalls Asia, in situations that are not covered under the Collaboration Agreement, or if the conditions or thresholds that oblige CapitaLand not to compete with CapitaMalls Asia are not fulfilled, and there can be no assurance that conflicts of interests between CapitaMalls Asia and CapitaLand would not arise or have been adequately addressed by the Collaboration Agreement.

## **10. RISKS ASSOCIATED WITH AN INVESTMENT IN THE BONDS**

### ***Suitability of the Bonds.***

The purchase of the Bonds involves certain risks including market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. Investors should ensure that they fully understand the nature of all these risks before making a decision to invest in the Bonds. This Offer Information Statement is not and does not purport to be investment advice. Investors should conduct such independent investigation and analysis regarding the Bonds as they deem appropriate. Investors should also consult their own legal, tax, accounting, financial and other professional advisers to assist them in determining the suitability of the Bonds for them as an investment. Investors should make an investment only after they have determined that such investment is suitable for their financial investment objectives. Investors should consider carefully whether the Bonds are suitable for them in light of their experience, objectives, financial position and other relevant circumstances.

### ***Bondholders are exposed to the credit risks of the Issuer and the Guarantor.***

By investing in the Bonds, investors take the credit risks of the Issuer and the Guarantor. In the event that the Issuer and/or the Guarantor is insolvent or is otherwise unable to meet its payment obligations under the Bonds or the Guarantee, as the case may be, investors may not be able to recover their principal invested in the Bonds.

***No prior market for and limited liquidity of the Bonds.***

The Bonds comprise a new issue of securities for which there is currently no established secondary market. There can therefore be no assurance that a secondary market will develop or, if a secondary market does develop, as to the liquidity of that market for the Bonds or that it will continue for the entire tenure of the Bonds. Furthermore, there can be no assurance as to the ability of investors to sell, or the prices at which investors would be able to sell, their Bonds. The Bonds are expected to be listed on the Main Board of the SGX-ST from 13 January 2012, being four days after the Closing Date.

There can be no assurance regarding the development after the Issue Date of the market for the Bonds issued or the ability of the Bondholders or the price at which the Bondholders may be able to sell their Bonds.

***The market value of the Bonds may be subject to fluctuation.***

Trading prices of the Bonds may be influenced by numerous factors, including (i) the market for similar securities, (ii) the respective operating results and/or financial condition of the members of the Group and (iii) political, economic, financial and any other factors that can affect the capital markets, the industry and the Group. Adverse economic developments in Singapore as well as countries in which the Group operates or has business dealings could have a material adverse effect on the operating results and/or the financial condition of the Group and the market value of the Bonds. As a result, the market price of the Bonds may be above or below the Issue Price.

***An investment in the Bonds is subject to interest rate risk.***

Bondholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. The Bonds are fixed income securities and may therefore see their prices fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds. The market value of the Bonds may be similarly affected which may result in a capital loss for Bondholders. Conversely, when interest rates fall, the prices of the Bonds and the prices at which the Bonds trade may rise. Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

***An investment in the Bonds is subject to inflation risk.***

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders may have an anticipated real rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual real returns.

***Singapore Taxation.***

Subject to the fulfillment of certain conditions more particularly described in the section entitled "Taxation" of this Offer Information Statement, the Bonds are proposed to be issued as "qualifying debt securities" for the purposes of the ITA. However, there is no assurance that such Bonds will continue to be "qualifying debt securities" or that the tax concessions in connection therewith will apply throughout the tenure of the Bonds should the relevant tax laws be amended or revoked at any time.

***Consequences of Non-availability of Definitive Bond Certificates in respect of Bonds.***

The Bonds will be in the form of a Global Certificate, and no definitive bond certificates will be issued under any circumstances unless (i) an event of default under the Bonds entitling the Trustee to declare all the Bonds to be due and payable as provided for in the Terms and

Conditions has occurred and is continuing, (ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (iii) CDP has announced an intention to permanently cease business and no alternative clearing system is available, (iv) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Bonds and to continue performing its duties set out in the Master Depository Services Agreement and no alternative clearing system is available or (v) with the consent of the Issuer. **Individual Bondholders must hold their Bonds in a direct Securities Account with CDP or a securities sub-account and/or investment account with a Depository Agent. For the purpose of the initial allocation of the Bonds, investors under the Public Offer must already have, or must open, a direct Securities Account with CDP.** See the section entitled “Clearing, Settlement and Custody” of this Offer Information Statement for further details. An investor’s ability to pledge his interest in the Bonds to any person or otherwise to take action in respect of his interest may be affected by the lack of any definitive bond certificates.

The standard terms and conditions of the securities sub-account and/or investment account of a Depository Agent may permit it to take a security interest in, or to impose other restrictions on, the Bonds credited to the account or to exercise a lien, right of set-off or similar claim against investors in respect of moneys held in any of an investor’s accounts maintained with it to secure any amounts which may be owing by such investor to it.

Notices to the Bondholders shall be mailed to them at their respective addresses in the register in relation to the Bonds maintained by the Registrar 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 and (so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require) in a leading newspaper having general circulation in Singapore (which is expected to be The Business Times). Where the Bonds are held by an investor in a securities sub-account with a Depository Agent, for notices under (i) above, such investor will have to rely on his Depository Agent to distribute notices to him which it receives through CDP from the Issuer. The Issuer, the Guarantor, the Lead Manager, the Trustee, the Registrar and the Paying Agent accept no responsibility for any failure or delay on the part of the Depository Agents in doing so.

For so long as the Bonds are represented by the Global Certificate held through CDP, the Issuer, or as the case may be, the Guarantor will discharge its payment obligations under the Bonds by making payments to or to the order of CDP for distribution to their account holders and each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Bonds shall be treated as the holder of that principal amount of Bonds for all purposes other than with respect to the payment of principal or interest on such principal amount in respect of the Bonds. Where the Bonds are held by an investor in his direct Securities Account with CDP, payments in respect of the Bonds will be credited through CDP from the Issuer. Where the Bonds are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with payments. The Issuer, the Guarantor, the Lead Manager, the Trustee, the Registrar and the Paying Agent accept no responsibility for any failure or delay on the part of the Depository Agents in performing their contractual duties to investors.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by CDP to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer or the Guarantor except in certain limited circumstances in respect of the Bonds and will have to rely upon their rights under the Trust Deed.

***Performance of contractual obligations by the Issuer and/or the Guarantor is dependent on other parties.***

The ability of the Issuer and/or the Guarantor to make payments in respect of the Bonds may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Registrar and/or the Paying Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer or the Guarantor of their respective obligations to make payments in respect of the Bonds, the Issuer and/or the Guarantor may not, in such circumstances, be able to fulfill its obligations to the Bondholders.

***Modification, waivers and substitution.***

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

The Terms and Conditions also provide that the Trustee may, without the consent of Bondholders, (i) agree to any modification, waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed and (ii) agree to the substitution of the Issuer's successor in business or any Subsidiary (as defined in the Trust Deed) or the Guarantor's successor in business or any Subsidiary in place of the Issuer or the Guarantor, as the case may be, in the circumstances described in Conditions 10(b) and 10(c) as set out in the Terms and Conditions.

***Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of the Bonds.***

The global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of the Bonds.

***The Bonds may be redeemed at the Issuer's option annually on and after five years after 12 January 2012 or for taxation reasons.***

The Terms and Conditions provide that the Bonds are redeemable at the option of the Issuer, in whole or in part, on each Optional Redemption Date at 100 per cent. of their principal amount together with interest accrued to the date fixed for redemption.

In addition, the Issuer also has the right to redeem the Bonds at 100 per cent. of their principal amount 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 that it has or will become obliged to pay additional amounts 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 Bonds do not qualify as "qualifying debt securities" for the purposes of the ITA, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Bonds and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) after taking reasonable measures available to it.

The date on which the Issuer elects to redeem the Bonds may not accord with the preference of Bondholders. This may be disadvantageous to the Bondholders in light of market conditions or the

individual circumstances of the Bondholders. In addition, an investor may not be able to re-invest the redemption proceeds in comparable securities at an effective interest rate at the same level as that of the Bonds.

Further, in the event the Issuer chooses to redeem the Bonds pursuant to Condition 5(c) of the Terms and Conditions or the Bonds are otherwise redeemed early or purchased and cancelled, the Bondholders will not be able to receive the Interest Step-Up as set out in Condition 4(b) of the Terms and Conditions which would otherwise accrue after each Optional Redemption Date.

***The Bonds may be redeemed in part at the option of the Issuer.***

In the event that the Issuer chooses to redeem the Bonds in part pursuant to Condition 5(c) of the Terms and Conditions, a *pro rata* portion of the outstanding principal amount of each Bond will be redeemed or in such other manner as notified to Bondholders. The Issuer is free to adopt any manner of partial redemption other than on a *pro rata* basis as long as it considers that such manner treats all Bondholders equally (which includes but is not limited to the drawing of lots).

In the event of a partial redemption on a *pro rata* basis, a Bondholder may hold odd lots (i.e. less than S\$1,000 in principal amount of Bonds) as a result thereof. Even though the Issuer and the Guarantor may, at their discretion, apply for the establishment of a temporary counter to facilitate the trading of odd lots, there is no assurance as to the ability of Bondholders to sell or the prices at which Bondholders would be able to sell such holdings of odd lots.

## CLEARING, SETTLEMENT AND CUSTODY

*The following is a summary of the clearance, settlement and custody arrangements for the Bonds.*

### **Clearance and Settlement through CDP**

The Bonds, upon being accepted for clearance by CDP, will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository 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.

The entire issue of the Bonds, upon being accepted for clearance by CDP, is to be held by CDP in the form of the Global Certificate for persons holding the Bonds in Securities Accounts with CDP (the “**Depositors**”). Delivery and transfer of the Bonds 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 Market 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 Bonds through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Bonds in such securities sub-accounts for themselves and their clients. Accordingly, the Bonds for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Bonds in direct Securities Accounts with CDP, and who wish to trade such Bonds through the Depository System, must transfer such Bonds to be traded from such direct Securities Accounts to a securities sub-account with a Depository Agent for trade settlement.

### **General**

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 Bonds 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 Lead Manager, the Trustee, the Agents or any other agents will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

### **Custody Arrangements with Depository Agents**

Definitive Bonds, or certificates representing Bonds, will not be issued to individual holders of Bonds (except in the limited circumstances described in the provisions of the Global Certificate). The Bonds will be represented by the Global Certificate representing the total principal amount of the Bonds which will be registered in the name of, and deposited with, CDP.

The Bonds, as represented by the Global Certificate, will be credited to the accounts of the Bondholders with CDP. For so long as the Bonds are represented by the Global Certificate held through a clearing system, the Depository Agents and individual Bondholders with direct Securities Accounts

will be treated as holders of the Bonds for all purposes other than with respect to the payment of principal, interest or other amounts in respect of the Bonds, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate.

### **Clearing Fees**

A clearing fee for the trading of the Bonds on the Main Board of the SGX-ST is payable at the rate of 0.04 per cent. of the transaction value, subject to a maximum of S\$600 per transaction. The clearing fee may be subject to goods and services tax at the prevailing rate (currently seven per cent.).

## TRADING

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Bonds on the Main Board of the SGX-ST, subject to certain conditions. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. Approval in-principle granted by the SGX-ST and the listing of and quotation for the Bonds on the Main Board of the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, any other member of the Group, the Bonds or the Offer.

Upon the listing of and quotation for the Bonds on the Main Board of the SGX-ST, the Bonds will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. The Bonds may also be traded over-the-counter on the DCSS. All dealings in and transactions (including transfers) of the Bonds effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Bonds will comprise S\$1,000 in principal amount of Bonds.

Dealings in the Bonds will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts.

An investor may open a direct Securities Account with CDP or a securities sub-account with any Depository Agent. A Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

In addition, the Bonds will be represented by the Global Certificate registered in the name of, and deposited with, CDP and, except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Bonds. Accordingly, prospective investors who wish to subscribe for the Bonds under the Public Offer must already have, or must open, a Securities Account with CDP directly.

Prospective investors who wish to open a Securities Account with CDP directly must do so personally at CDP's office at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807. Further details can be obtained as follows:

- (i) CDP's hotline at +65 6535 7511, which is available on Mondays to Fridays from 8.30 a.m. to 5.00 p.m. and on Saturdays from 9.00 a.m. to 12.30 p.m. The hotline is not available on Sundays and public holidays; or
- (ii) CDP's website at <http://www.cdp.com.sg>.

For so long as the Bonds are represented by the Global Certificate held through CDP, interest payable on the Bonds will be determined based on each Bondholder's aggregate holdings in his direct Securities Account. CDP will credit interest and principal payments to a Bondholder into the bank account linked to his Securities Account, or send the Bondholder a cheque by ordinary mail if there is no such link. Investors who wish to apply for a bank account to be linked to their Securities Account may submit a completed application form which may be obtained from CDP. Where the Bonds are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with interest payments.

Bondholders should note that the holding of odd lots (i.e. less than S\$1,000 in principal amount of Bonds) may arise in the event that the Issuer chooses to redeem the Bonds in part pursuant to Condition 5(c) of the Terms and Conditions. Please refer to Condition 5(c) of the Terms and Conditions entitled "Redemption at the Option of the Issuer" for more information. In the event that Bondholders hold odd lots following such partial redemption, the Issuer and the Guarantor may, at their discretion, apply for and obtain the approval of the SGX-ST for the establishment of a temporary counter to facilitate the trading of such odd lots. Should such an odd lot counter be created, the Issuer will, through the Guarantor, publicly announce the creation of such a temporary counter when it is created, and any other information in relation to the trading of the said odd lots.

## SUBSCRIPTION AND SALE

*The following section contains the selling restrictions on the offer of the Bonds and the distribution of offering materials in various jurisdictions.*

### GENERAL

This Offer Information Statement does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Bonds in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been taken or will be taken under the requirements of the legislation or regulation of, or of the legal regulatory requirements of any jurisdiction to permit an offering of the Bonds to occur in any jurisdiction (other than Singapore) or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to the Issuer, the Guarantor, the Group or the Bonds in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the Authority.

Accordingly, the Bonds may not be delivered, offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Bonds may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal advisers prior to applying for the Bonds or making any offer, sale, resale or other transfer of the Bonds.

Each person who purchases the Bonds shall do so in accordance with the securities regulations in each jurisdiction applicable to it.

**This Offer Information Statement and/or its accompanying documents are made available to investors solely for their information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.**

### UNITED STATES

The Bonds and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

The Bonds and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee, an offer or sale of the Bonds and the Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### HONG KONG

The Bonds have not been and will not be offered or sold in Hong Kong, by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**Securities and Futures Ordinance**”) and any rules made under the Securities and Futures Ordinance, or (ii) in other circumstances which do not result in the document

being a “prospectus” as defined in the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (the “**Companies Ordinance**”), or which do not constitute an offer to the public within the meaning of the Companies Ordinance.

No advertisement, invitation or document relating to the Bonds has been or will be issued, or possessed for the purposes of issue, whether in Hong Kong or elsewhere, 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 Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance.

## TAXATION

### Singapore Taxation

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this Offer Information Statement and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The following is a summary of the material Singapore tax consequences to a holder of the Bonds. The statements below are not to be regarded as advice on the tax position of any holder of the Bonds or of any person acquiring, selling or otherwise dealing with the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements made herein do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds 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 tax incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Bonds are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Bonds 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 Lead Manager or any other persons involved in the offering of the Bonds accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

### 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.

Notwithstanding the above, with effect from 29 December 2009, the said deeming provisions of Section 12(6) of the ITA would not apply to payments for any arrangement, management, service or guarantee relating to any loan or indebtedness, where: (i) the arrangement, management or service is performed outside Singapore, or (ii) the guarantee is provided, for or on behalf of a person resident in Singapore or a permanent establishment in Singapore by a non-resident person who:

- (i) is not an individual, is not incorporated, formed or registered in Singapore; and
- (ii) (A) does not by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore; or

- (B) carries on a business in Singapore (by himself or in association with others) or has a permanent establishment in Singapore, but (a) the arrangement, management or service is not performed through, or (b) the giving of the guarantee is not effectively connected with, that business carried on in Singapore or that permanent establishment.

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 17.0 per cent. with effect from year of assessment 2010. The applicable rate for non-resident individuals is 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.

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 Singapore.

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.

However, as the issue of the Bonds is lead-managed by DBS Bank Ltd., which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) and the Bonds are issued prior to 31 December 2013, the Bonds would be qualifying debt securities for the purposes of the ITA to which the following treatments apply:

- (a) subject to certain conditions having been fulfilled (including the submission by or on behalf of the Issuer of a return on debt securities to the Authority and the Comptroller of Income Tax (“**Comptroller**”) within such period as the Comptroller may specify and such other particulars that the Comptroller may require and subject to the Issuer including in all offering documents relating

to the Bonds a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Bonds by any 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 does not apply if such person acquires the Bonds using funds from Singapore operations), interest, discount income (not including discount income from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Specified Income**”) on the Bonds received by a holder who is not resident in Singapore and who does not have a permanent establishment in Singapore is exempt from Singapore income tax. Non-residents who have permanent establishments in Singapore can also benefit from this exemption provided that they do not acquire the Bonds using any funds from Singapore operations. Funds from Singapore operations means, in relation to a person, the funds and profits of that person’s operations through a permanent establishment in Singapore;

- (b) subject to certain conditions having been fulfilled (including the submission by or on behalf of the Issuer of a return on debt securities to the Authority and the Comptroller within such period as the Comptroller may specify and such other particulars that the Comptroller may require), Specified Income from the Bonds received by any company or a body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent.; and
- (c) subject to:
  - (i) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Bonds is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (ii) the Issuer or such other person as the Comptroller may direct, furnishing to the Comptroller and the Authority a return on the debt securities within such period as the Comptroller may specify and such other particulars including particulars in connection with the Bonds as the Comptroller may require,

Specified Income derived from the Bonds is not subject to the withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of the Bonds, the Bonds are issued to fewer than four persons and 50.0 per cent. or more of the principal amount of the Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Bonds would not qualify as qualifying debt securities; and
- (b) even though the Bonds are “qualifying debt securities”, if, at any time during the tenure of the Bonds, 50.0 per cent. or more of the principal amount of the Bonds is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from the Bonds held by:
  - (i) any related party of the Issuer; or
  - (ii) any other person where the funds used by such person to acquire the Bonds 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 of 10.0 per cent.

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.

Notwithstanding that payments under the Bonds may be made without deduction or withholding of tax under Sections 45 and 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Bonds is not exempt from tax is required under the ITA to include such income in a return of income made under the ITA.

### **Gains on disposal of the Bonds**

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of the Bonds may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller would regard as the carrying on of a trade or business in Singapore.

Holders of the Bonds who are adopting Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement (“**FRS 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 Bonds, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 treatment for Singapore income tax purposes”.

### **Adoption of FRS 39 treatment for Singapore income tax purposes**

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). Legislative amendments to give effect to the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

According to the FRS 39 Circular, for financial assets on revenue account classified as:

- (a) “fair value through profit or loss”, gains or losses recognised in the profit and loss account will be taxed or allowed as a deduction even though they are unrealised;
- (b) “available-for-sale”, only the cumulative gains or losses (which had been recognised in equity) that are transferred to the profit and loss account upon derecognition will be taxed or allowed as a deduction;
- (c) “held-to-maturity” and loans, the interest income based on the amount shown in the accounts, which is calculated under the effective interest method under FRS 39, will be taxed.

The FRS 39 Circular refers to the definition of the effective interest method under FRS 39 and states that the “effective interest method” is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period and the “effective interest rate” is the rate that exactly discounts estimated future cash payments of receipts through the expected life of the financial instruments. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

However, for debt securities which are on capital account, the FRS 39 Circular indicates that interest income reflected in the profit and loss account under FRS 39 will be adjusted to that based on the coupon/contractual rate.

In this regard, Section 34A of the ITA provides that where interest from debt securities is chargeable to tax under Section 10(1)(d) of the ITA (i.e. as passive income instead of as income from a trade or business), such interest will be computed based on the contractual interest rate and not the effective interest rate. In this section, “contractual interest rate” in relation to any financial instrument means the interest rate specified in the financial instrument.

Holders of the Bonds who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Bonds.

### **Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## TERMS AND CONDITIONS OF THE BONDS

*The following (other than the paragraphs in italics) is the text of the terms and conditions which, subject to completion and amendment, will be endorsed on the reverse of each Bond in definitive form (if issued).*

The Callable Step-Up Bonds Due 2022 (the “**Bonds**”) of CapitaMalls Asia Treasury Limited (the “**Issuer**”) are constituted by a Trust Deed (the “**Trust Deed**”) dated 12 January 2012 made between (1) the Issuer, (2) CapitaMalls Asia Limited (the “**Guarantor**”) and (3) The Trust Company (Asia) Limited (the “**Trustee**”, which expression shall wherever the context so admits include all persons for the time being the trustee or trustees under the Trust Deed), as trustee for the holders of the Bonds (the “**Bondholders**”). The issue of the Bonds was authorised by resolutions of the Board of Directors of the Issuer passed on 21 December 2011 and the guarantee of the Bonds was authorised by resolutions of the Board of Directors of the Guarantor passed on 21 December 2011.

Certain provisions of these terms and conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds in definitive form and which also includes provisions which are not summarised herein. Unless given a defined meaning elsewhere in the Conditions or the context requires otherwise, capitalised terms used in these Conditions shall have the meanings given in the Trust Deed. The Bonds are issued with the benefit of a Deed of Covenant (the “**Deed of Covenant**”) dated 12 January 2012 executed by the Issuer. Payments in respect of the Bonds will be made pursuant to an Agency Agreement (the “**Agency Agreement**”) dated 12 January 2012 made between (1) the Issuer, (2) the Guarantor, (3) DBS Bank Ltd., as paying agent (the “**Paying Agent**”, which expression shall wherever the context so admits include any successor paying agent under the Agency Agreement), (4) DBS Bank Ltd., as registrar (the “**Registrar**”, which expression shall wherever the context so admits include any successor registrar under the Agency Agreement), and (5) the Trustee.

Copies of the Trust Deed, the Agency Agreement, the Master Depository Services Agreement (the “**Master Depository Services Agreement**”) dated 12 January 2012 made between (1) the Issuer and (2) The Central Depository (Pte) Limited (the “**Depository**”) and the Deed of Covenant are available for inspection during normal business hours at the principal office of the Trustee and at the specified office of the Paying Agent for the time being. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Covenant and are deemed to have notice of those applicable to them of the Agency Agreement and the Master Depository Services Agreement.

### 1 Form, Denomination and Title

The Bonds are issued in registered form in specified denominations of S\$1,000 or integral multiples thereof.

The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds 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 Bond 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, “**Bondholder**” and “**holder**” means the person in whose name a Bond is registered.

*For so long as any of the Bonds is represented by the Global Certificate held by the Depository, transfers of beneficial interests in the Global Certificate will be effected only through records maintained by the Depository and each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Bonds (in which regard any certificate or other document issued by the Depository as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Paying Agent and the Registrar as the holder of such principal amount of such Bonds for all purposes other than with respect to the payment of principal or interest on such principal amount of such Bonds, for which purpose the holder of the Global Certificate shall be treated by the Issuer, the Guarantor, the Trustee, the Paying Agent and the Registrar as the holder of such principal amount of such Bonds in accordance with and subject to the terms of the Global Certificate and the expressions “**Bondholder**” and “**holder of Bonds**” and related expressions shall be construed accordingly. Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository and any records maintained by the Depository or the Depository’s service providers relating to or connected with the Bonds shall, save in the case of manifest error, be binding and conclusive for all purposes.*

## **2 Transfers of Bonds**

- (a) **Transfer:** Subject to paragraph (e) (*Closed Periods*), one or more Bonds may be transferred upon the surrender (at the specified office of the Registrar) of the Certificate representing such Bonds 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 may reasonably require. In the case of a transfer of part only of a holding of Bonds 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 Bonds and entries on the Register will be made subject to the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder upon request.
- (b) **Partial Redemption:** In the case of a partial redemption of a holding of Bonds represented by a single Certificate, a new Certificate shall be issued to the holder in respect of the balance of the holding not redeemed. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar. In the case of a transfer of Bonds to a person who is already a holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) or Condition 2(b) shall be available for delivery within seven 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 Registrar 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 Registrar costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**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 Registrar.

- (d) **Transfers Free of Charge:** Transfers of Bonds and Certificates on registration, transfer or partial redemption shall be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require).
- (e) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of five Business Days ending on the due date for redemption of that Bond, (ii) after any such Bond has been called for redemption or (iii) during the period of five Business Days ending on (and including) any due date for the payment of interest.

### 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 and the Bonds. Its obligations in that respect (the “**Guarantee**”) are contained in the Trust Deed.
- (b) **Status of Bonds and Guarantee:** The Bonds 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 Bonds and of the Guarantor under the 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.

### 4 Interest

- (a) **Initial and Step-Up Interest Rates:** Each Bond will initially bear interest on its outstanding principal amount from 12 January 2012 at the rate of 3.80 per cent. per annum, payable semi-annually in arrear on 12 January and 12 July in each year (each, an “**Interest Payment Date**”). If the Bonds are not redeemed or purchased and cancelled, the rate of interest from 12 January 2017 (the “**Interest Step-Up Date**”) will be reset in accordance with Condition 4(b) below.

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at such rate aforesaid (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day seven days after the Trustee or the Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 365-day year and the actual number of days elapsed.

- (b) **Interest Step-Up:** If the Bonds are not redeemed or purchased and cancelled, the rate of interest payable from the Interest Step-Up Date will be reset to a fixed rate equal to 4.50 per cent. per annum, from and including the Interest Step-Up Date to but excluding the Maturity Date, payable semi-annually in arrear on each Interest Payment Date.

### 5 Redemption and Purchase

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Bond shall be finally redeemed on 12 January 2022. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5 (but without prejudice to Condition 9).

- (b) **Redemption for Taxation Reasons:** The Bonds 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 Bondholders (which notice shall be irrevocable) at their principal amount (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 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 Bonds 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 Bonds, 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 Bonds (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 duly authorised persons of the Issuer (or the Guarantor, as the case may be) 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 and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on Bondholders.
- (c) **Redemption at the Option of the Issuer:** The Issuer may, on giving not more than 60 nor less than 30 days' irrevocable notice to the Bondholders, redeem the Bonds in whole or in part on any Optional Redemption Date, together with interest accrued to the date fixed for redemption, provided that the aggregate principal amount of Bonds to be redeemed shall not be less than S\$10,000,000 in respect of each redemption (other than the final redemption). In the event of a partial redemption, each Bond will be redeemed on a *pro rata* basis or in such other manner as the Issuer shall deem to confer equal treatment to all Bondholders (which includes but is not limited to the drawing of lots) and notified to Bondholders in accordance with Condition 15, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

The notice to Bondholders under this Condition 5(c) in the case of a partial redemption shall specify the manner in which the Bonds shall be partially redeemed, the portion of the outstanding principal amount of each Bond to be redeemed and any other applicable procedures relating to the partial redemption.

In this Condition 5(c), "**Optional Redemption Dates**" means 12 January 2017, 12 January 2018, 12 January 2019, 12 January 2020 and 12 January 2021 and "**Optional Redemption Date**" means any such date.

*For so long as any of the Bonds is represented by the Global Certificate held by the Depository, the manner of redemption of the Bonds will be governed by the standard operating rules and procedures of the Depository.*

- (d) **Purchases:** The Issuer, the Guarantor and any of the Subsidiaries (as defined in the Trust Deed) of the Guarantor may at any time purchase Bonds in the open market or otherwise at any price. Such Bonds may, at the option of the Issuer, the Guarantor or any such Subsidiary, be held, resold or cancelled. The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 10(a).

- (e) **Cancellation:** All Bonds purchased by or on behalf of the Issuer, the Guarantor or any of the Subsidiaries of the Guarantor may be surrendered for cancellation by surrendering the Certificate representing such Bonds to the Registrar and if so surrendered, shall, together with all Bonds redeemed by the Issuer, be cancelled forthwith. Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged.

## 6 Payments

(a) **Principal and Interest:**

- (i) Payments of principal in respect of the Bonds shall be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on the Bonds shall be paid to the person shown on the Register at the close of business on the fifth Business Day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in Singapore dollars by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar 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.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.
- (b) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) **Payment Initiation:** Where payment is to be made by transfer to an account in the relevant currency, payment instructions (for value the due date, or if that is not a Business Day, for value the immediately following day which is a Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of the Registrar, on a day on which the Paying Agent is open for business and on which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Paying Agent and the Registrar initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Paying Agent and the Registrar 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 Bondholder. 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 Paying Agent and the Registrar and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Paying Agent in Singapore, and (ii) a Registrar.

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

- (e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Business Day, if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 6(a)(ii) arrives after the due date for payment.
- (f) **Non-Business Days:** If any date for payment in respect of any Bond is not a Business Day, then the holder shall not be entitled to payment of the amount due until the next following Business Day and shall not be entitled to any further interest or other payment in respect of such delay.
- (g) **Definitions:** In these Conditions, unless the context otherwise requires, “**Business Day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore.

## 7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds 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, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Bondholders 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 Bond:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Singapore other than the mere holding of the Bond or the receipt of any sums due in respect of such Bond (including without limitation, the holder being (1) a resident in Singapore for tax purposes or (2) a permanent establishment in Singapore or (3) a non-resident of Singapore who purchased the Bonds using funds from his or its Singapore operations); 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.

“**Relevant Date**” in respect of any Bond 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 Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

## 8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 9 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in nominal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject in each case to being indemnified and/or secured to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- (a) default is made (in the case of interest, for more than seven days) in the payment on the due date of interest or principal in respect of any of the Bonds; or
- (b) the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee; or
- (c) (A) any other present or future indebtedness of the Issuer or the Guarantor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or 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 paragraph (c) have occurred equals or exceeds S\$50,000,000 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 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); or
- (d) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any Principal Subsidiary, or the Issuer or the Guarantor or any Principal Subsidiary shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) which would not have a material adverse effect on the condition (financial or otherwise), prospects, results of operations, financial position or business of the Guarantor and its subsidiaries taken as a whole or (ii) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders; or
- (e) (i) proceedings are initiated against the Issuer or the Guarantor or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or the Guarantor or any Principal Subsidiary or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any case (other than the appointment of an administrator) is not discharged or stayed within 30 days; or

- (f) the Issuer or the Guarantor or any Principal Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (f) above; or
- (h) 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 (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds, the Guarantee and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of Singapore is not taken, fulfilled or done; or
- (i) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (j) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed,

provided that in the case of paragraphs (c) and, in relation to Principal Subsidiaries only, (e) and (f), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

For the purpose of this Condition 9, **“Principal Subsidiary”** means any Subsidiary of the Guarantor whose total assets, as shown by the accounts of such Subsidiary, based upon which the latest audited consolidated accounts of the Group (as defined in the Trust Deed) have been prepared, is at least 25 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Guarantor (the **“transferee”**) then:

- (a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Guarantor) shall thereupon become a Principal Subsidiary; and
- (b) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Guarantor) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such Subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 25 per cent. of the total assets of the Group, as shown by such audited consolidated accounts. 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, in the absence of manifest error, be conclusive.

## 10 Meetings of Bondholders, Modification, Waiver and Substitution

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in nominal amount of the Bonds 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 a clear majority in nominal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the nominal amount of the Bonds 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 Bonds or any date for payment of interest on the Bonds, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Bonds, (iii) to reduce the rate or rates of interest in respect of the Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the rate of interest in respect of the Bonds, (iv) to vary the currency or currencies of payment or denomination of the Bonds, (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass the Extraordinary Resolution, or (vi) 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 nominal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

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 nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders 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 Bondholders.

- (b) **Modification and Waiver of the Trust Deed:** The Trustee may agree, without the consent of the Bondholders, 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 the Depository, 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 Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders 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 Bondholders, 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 or its 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 Bonds. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds 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 Bondholders.

- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder 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 Bondholders.

## 11 Enforcement

At any time after the Bonds 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 and the Bonds, 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 Bondholders holding at least 25 per cent. in nominal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder 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.

## 12 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 and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders on a 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 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 and the Bondholders.

## 13 Replacement of Bonds

If a Certificate 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 Registrar 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 Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer and the Guarantor may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## 14 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds 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 Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities

issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) 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.

## 15 Notices

Notices to the holders of the Bonds 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 and (so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the rules of the SGX-ST so require) in a leading newspaper having general circulation in Singapore (which is expected to be The Business Times). 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.

## 16 Rights of Third Parties

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act Chapter 53B of Singapore.

## 17 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Singapore law.
- (b) **Jurisdiction:** The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with any Bonds or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Bonds 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 such courts.

## GENERAL INFORMATION

The Directors of CapitaMalls Asia Treasury Limited (“**Issuer Directors**”) collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the Issuer Directors collectively and individually confirm that, to the best of their information and belief, reasonable enquiries have been made that such information is accurately extracted from such sources and reflected, or as the case may be, reproduced in its proper form and context in this Offer Information Statement.

The Directors of CapitaMalls Asia Limited (“**Guarantor Directors**”) collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the Guarantor Directors collectively and individually confirm that, to the best of their information and belief, reasonable enquiries have been made that such information is accurately extracted from such sources and reflected, or as the case may be, reproduced in its proper form and context in this Offer Information Statement.

## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

### PART I — FRONT COVER

1. On the front cover of the offer information statement, provide —
  - (a) the date of lodgment of the offer information statement;
  - (b) the following statements:
    - (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; and
    - (ii) “A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the securities being offered for investment.”;
  - (c) the name of the entity (referred to in this Schedule as the relevant entity) in respect of which the securities are being offered, its place of incorporation or constitution and the date of incorporation or constitution;
  - (d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the securities being offered on that securities exchange, and the name of such securities exchange; and
  - (e) a statement that no securities shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

The information required by Part I “Front Cover” of this Sixteenth Schedule section has been set out on the cover page of this Offer Information Statement.

### PART II — IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

#### Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

#### The Issuer

<b>Name</b>	<b>Business Address</b>
Mr Lim Beng Chee	39 Robinson Road #18-01 Robinson Point Singapore 068911
Mr Ng Kok Siong	39 Robinson Road #18-01 Robinson Point Singapore 068911
Mr Lee Hui Yeow	39 Robinson Road #18-01 Robinson Point Singapore 068911

## **CapitaMalls Asia**

<b>Name</b>	<b>Business Address</b>
Mr Liew Mun Leong	39 Robinson Road #18-01 Robinson Point Singapore 068911
Ms Chua Kheng Yeng Jennie	39 Robinson Road #18-01 Robinson Point Singapore 068911
Mr Lim Tse Ghow Olivier	39 Robinson Road #18-01 Robinson Point Singapore 068911
Mr Lim Beng Chee	39 Robinson Road #18-01 Robinson Point Singapore 068911
Mr Sunil Tissa Amarasuriya	39 Robinson Road #18-01 Robinson Point Singapore 068911
Dr Loo Choon Yong	39 Robinson Road #18-01 Robinson Point Singapore 068911
Mrs Arfat Pannir Selvam	39 Robinson Road #18-01 Robinson Point Singapore 068911
Professor Tan Kong Yam	39 Robinson Road #18-01 Robinson Point Singapore 068911
Mr Yap Chee Keong	39 Robinson Road #18-01 Robinson Point Singapore 068911
Tan Sri Amirsham A Aziz	39 Robinson Road #18-01 Robinson Point Singapore 068911

## **Advisers**

### **2. Provide the names and addresses of —**

#### **(a) the issue manager to the offer, if any;**

Sole bookrunner and lead manager of the Offer	:	DBS Bank Ltd. 6 Shenton Way #35-00 DBS Building Tower One Singapore 068809
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**(b) the underwriter to the offer, if any; and**

Not applicable. There is no underwriter to the Offer.

**(c) the legal adviser for or in relation to the offer, if any.**

Legal Adviser to the Issuer and the Guarantor as to Singapore law	:	WongPartnership LLP One George Street #20-01 Singapore 049145
Legal Adviser to the Issuer and the Guarantor as to Hong Kong law	:	Allen & Overy 9th Floor Three Exchange Square Central Hong Kong
Legal Adviser to the Lead Manager, the Agents and the Trustee as to Singapore law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

**Registrars and Agents**

**3. Provide the names and addresses of the relevant entity's registrars, transfer agents receiving bankers for the securities being offered, where applicable.**

Trustee	:	The Trust Company (Asia) Limited 16 Collyer Quay #26-02 Singapore 049318
Registrar	:	DBS Bank Ltd. 60 Alexandra Terrace #05-27 The Comtech Singapore 118502
Paying Agent	:	DBS Bank Ltd. 60 Alexandra Terrace #05-27 The Comtech Singapore 118502
Receiving Banker	:	DBS Bank Ltd. 6 Shenton Way DBS Building Tower One Singapore 068809

## PART III — OFFER STATISTICS AND TIMETABLE

### Offer Statistics

#### 1. For each method of offer, state the number of the securities being offered.

Methods of offer	:	The Public Offer and the Placement.
Number and principal amount of Bonds being offered	:	Up to 200,000 Initial Bonds (based on a denomination of S\$1,000 for each Bond) amounting to up to S\$200 million in aggregate principal amount of Initial Bonds (being S\$200 million in aggregate principal amount of callable step-up bonds due 2022), and subject to increase by up to an additional 200,000 Optional Bonds (based on a denomination of S\$1,000 for each Bond) amounting to up to S\$200 million in aggregate principal amount of callable step-up bonds due 2022, at the discretion of the Issuer, in consultation with the Lead Manager, in the event of oversubscription.

The timetable of the Offer may be extended, shortened or modified by the Issuer to such duration as it may think fit, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, and subject to any limitation under any applicable laws.

#### **Public Offer**

Up to 100,000 Bonds (based on a denomination of S\$1,000 for each Bond) amounting to up to S\$100 million in aggregate principal amount of Bonds offered at the Issue Price to the public in Singapore by way of Electronic Application, subject to increase and/or re-allocation between the Public Offer and the Placement as described in “Re-allocation and Increase of Offer Size” below.

#### **Placement**

Up to 100,000 Bonds (based on a denomination of S\$1,000 for each Bond) amounting to up to S\$100 million in aggregate principal amount of the Bonds offered at the Issue Price to institutional and other investors outside the United States in reliance on Regulation S, subject to increase and/or re-allocation between the Public Offer and the Placement as described in “Re-allocation and Increase of Offer Size” below.

### **Re-allocation and Increase of Offer Size**

The aggregate principal amount of Initial Bonds is subject to re-allocation in certain circumstances between the Public Offer and the Placement and may not reflect the actual aggregate principal amount of Bonds that will be allocated under the Public Offer or the Placement, as the case may be.

The actual aggregate principal amount of Bonds to be allocated between the Public Offer and the Placement will be finalised on or prior to the Issue Date.

If the offer of the Initial Bonds is oversubscribed, the Issuer shall have the right, in consultation with the Lead Manager, to issue up to an additional S\$200 million in aggregate principal amount of callable step-up bonds due 2022, being the Optional Bonds, at the issue price of 100 per cent. to satisfy the excess demand, which shall be allocated to the Public Offer and/or the Placement in such manner as the Lead Manager, in consultation with the Issuer and the Guarantor, deems fit.

Unless indicated otherwise, all information in this Offer Information Statement illustrating the issue of Optional Bonds assumes that the Optional Bonds (if issued) will be issued in full.

### **Method and Timetable**

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —**
  - (a) the offer procedure; and**
  - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please refer to paragraphs 3 to 7 of Part III “Offer Statistics and Timetable — Method and Timetable” of this Sixteenth Schedule section.

- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

Please refer to the section entitled “Expected Timetable of Key Events” of this Offer Information Statement.

As at the Latest Practicable Date, the Issuer does not expect the timetable under the section entitled “Expected Timetable of Key Events” of this Offer Information Statement to be modified. However, the Issuer may, at its absolute discretion, and with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, extend, shorten or modify the timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the Lead Manager, have the absolute discretion to close the Public Offer and/or the Placement early. The Issuer, through the Guarantor, will publicly announce any changes to the timetable through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

Applications for the Bonds under the Public Offer may only be made by way of Electronic Application. Applications for the Bonds under the Placement may only be made directly through the Lead Manager, who will determine, at its discretion, the manner and method for applications under the Placement. Prospective investors applying for the Bonds under the Placement must get in touch with the Lead Manager directly. Please also refer to Appendix I entitled “Terms, Conditions and Procedures for Application and Acceptance” of this Offer Information Statement.

**4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

Payment by subscribers for the Public Offer Bonds under the Public Offer is to be made in full upon application. Payment by subscribers for the Placement Bonds under the Placement is to be made in full on or about the Issue Date unless otherwise agreed by the Issuer and the Lead Manager. Details of the methods of payment for the Bonds are contained in Appendix I entitled “Terms, Conditions and Procedures for Application and Acceptance” of this Offer Information Statement.

Please also refer to the section entitled “Expected Timetable of Key Events” of this Offer Information Statement for the last dates and times for applications for the Bonds under the Public Offer and the Placement.

**5. State, where applicable, the methods of and time limits for —**

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

Subject to the receipt of valid applications and payments for the Bonds, the Bonds will be issued on the Issue Date (which is expected to be 12 January 2012), being three days after the Closing Date, and will on issue be represented by a Global Certificate registered in the name of, and deposited with, CDP. Except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Bonds. The Bonds will not be issued in bearer form.

Upon crediting of the Bonds (one Market Day before the Bonds are listed on the Main Board of the SGX-ST) to the Securities Accounts of the relevant subscribers, it is expected that CDP will send to the relevant subscriber, at the relevant subscriber’s own risk, within three Market Days after the date on which the Bonds are credited, a notification letter stating the number of Bonds credited to the relevant subscriber’s Securities Account.

- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable.

- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

The Issuer will, through the Guarantor, publicly announce the results of the allotment or allocation of the Bonds under the Public Offer and the Placement through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

The Issuer and the Lead Manager reserve the right to reject or accept, in whole or in part, or to scale down, or ballot any application for the Bonds, without assigning any reason therefor, and no enquiry or correspondence on their decision will be entertained.

#### **Manner of Refund**

When any application for the Bonds under the Public Offer by way of Electronic Application is invalid or unsuccessful, or is accepted or rejected in part only or rejected in full for any reason whatsoever, the full amount or, as the case may be, the balance of the amount paid on application, will be returned or refunded to such applicants (without interest or any share of revenue or other benefit arising therefrom) by crediting their bank accounts with the relevant Participating Bank branch, at their own risk, within 24 hours after balloting of the Bonds, the receipt by such bank being a good discharge to the Issuer, the Guarantor, the Lead Manager and CDP of their obligations.

Where the Offer does not proceed for any reason, the amount paid on application will be returned or refunded to such applicants (without interest or any share of revenue or other benefit arising therefrom), at their own risk, within 14 days after the Offer is discontinued, in the manner described in the immediately preceding paragraph.

Please refer to Appendix I entitled "Terms, Conditions and Procedures for Application and Acceptance" of this Offer Information Statement for further details.

## **PART IV — KEY INFORMATION**

### **Use of Proceeds from Offer and Expenses Incurred**

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

Please refer to paragraphs 2 to 7 of Part IV "Key Information — Use of Proceeds from Offer and Expenses Incurred" of this Sixteenth Schedule section.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

The gross proceeds from the Offer of S\$200 million in principal amount of Bonds will be S\$200 million. The Issuer estimates, after deducting estimated costs and expenses associated with the Offer and issue of the Bonds, the net proceeds from the issuance of Bonds to be approximately S\$198 million.

In the event that the maximum issue size of S\$400 million in principal amount of Bonds is issued, the gross proceeds from the Offer will be S\$400 million. The net proceeds after deducting estimated costs and expenses associated with the Offer and issue of S\$400 million in principal amount of Bonds is approximately S\$397 million.

All net proceeds from the Offer will go to the Issuer to be used for the purpose of financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia.

- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**

The net proceeds from the Offer will be used for the purpose of financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia.

Pending the deployment of the net proceeds from the Offer, the net proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets and/or marketable securities or used for other general corporate or working capital purposes on a short-term basis as the directors of the Issuer and the Guarantor may deem appropriate in the interest of the Group.

The Offer is not underwritten and the directors of the Issuer and the Guarantor are of the opinion that no minimum amount must be raised by the Offer.

- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

For each dollar of gross proceeds of approximately S\$200 million to the Issuer from the Offer, the Issuer will allocate approximately 99.1 cents (representing approximately 99.1 per cent. of the gross proceeds) for the purpose of financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia and approximately 0.9 cents (representing approximately 0.9 per cent. of the gross proceeds) to pay for the expenses incurred in connection with the Offer.

In the event that the maximum issue size of S\$400 million in principal amount of Bonds is issued, for each dollar of gross proceeds of approximately S\$400 million to the Issuer from the Offer, the Issuer will allocate approximately 99.4 cents (representing approximately 99.4 per cent. of the gross proceeds) for the purpose of financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia and approximately 0.6 cents (representing approximately 0.6 per cent. of the gross proceeds) to pay for the expenses incurred in connection with the Offer.

- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

As disclosed in paragraph 3 of Part IV “Key Information — Use of Proceeds from Offer and Expenses Incurred” of this Sixteenth Schedule section, it is intended that the net proceeds from the Offer be used for the purpose of financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia.

As at the date of this Offer Information Statement, there is no intention to use the net proceeds from the Offer to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

As disclosed in paragraph 3 of Part IV “Key Information — Use of Proceeds from Offer and Expenses Incurred” of this Sixteenth Schedule section, it is intended that the net proceeds from the Offer be used for the purpose of financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia.

As at the date of this Offer Information Statement, there is no intention to use the net proceeds from the Offer to finance or refinance the acquisition of another business.

- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

As disclosed in paragraph 3 of Part IV “Key Information — Use of Proceeds from Offer and Expenses Incurred” of this Sixteenth Schedule section, it is intended that the net proceeds from the Offer be used for the purpose of financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia.

As at the date of this Offer Information Statement, the Issuer and CapitaMalls Asia have no plans or intention to discharge, reduce or retire any specific indebtedness using a material part of the net proceeds from the Offer.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

The Offer is not underwritten. Subject to the terms and conditions of the Management and Placement Agreement, the Issuer will pay to the Lead Manager, a fee of 0.475 per cent. based on the final issue size of the Public Offer Bonds and a fee of 0.225 per cent. based on the final issue size of the Placement Bonds.

**Information on the Relevant Entity**

9. Provide the following information:

(a) the address and telephone and facsimile numbers of the relevant entity’s registered office and principal place of business (if different from those of its registered office);

**The Issuer**

Registered Office/Principal Place of Business : 39 Robinson Road  
#18-01 Robinson Point  
Singapore 068911

Telephone Number : +65 6536 1188

Facsimile Number : +65 6536 0368

**CapitaMalls Asia**

Registered Office/Principal Place of Business : 39 Robinson Road  
#18-01 Robinson Point  
Singapore 068911

Telephone Number : +65 6536 1188

Facsimile Number : +65 6536 0368

(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

**The Issuer**

The Issuer was incorporated with limited liability under the laws of the Republic of Singapore on 13 January 2010. It is a wholly-owned subsidiary of CapitaMalls Asia.

The principal activities of the Issuer are the provision of financial and treasury services for and on behalf of the Group and it is intended that the Issuer be the central funding vehicle for the Group.

## **CapitaMalls Asia and the Group**

CapitaMalls Asia (previously known as CapitaLand Retail Limited) was incorporated with limited liability under the laws of the Republic of Singapore on 12 October 2004. It is a majority-owned subsidiary of CapitaLand Limited.

The principal activities of CapitaMalls Asia are that of an investment holding company and provision of management services. CapitaMalls Asia is a shopping mall developer, owner and manager, with an integrated shopping mall business model encompassing retail real estate investment and development, shopping mall operations, asset management and fund management capabilities.

As of 30 September 2011, CapitaMalls Asia has interests in and/or manages a pan-Asian portfolio of 96 retail properties (of which 70 are completed shopping malls and 26 are in various stages of development) across 51 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$26.5 billion and a total GFA of approximately 78.9 million square feet. CapitaMalls Asia's effective interest in this portfolio is approximately S\$9.4 billion in property value as of 30 September 2011.

CapitaMalls Asia is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. Shopping malls in the portfolio include ION Orchard and Plaza Singapura, which are located in one of the world's most famous shopping streets, Orchard Road, Raffles City Singapore and Clarke Quay in Singapore. The landmark shopping malls in China are CapitaMall Xizhimen and CapitaMall Wangjing in Beijing, Raffles City Beijing and Raffles City Shanghai. The portfolio also includes Gurney Plaza in Penang, Malaysia; Vivit Square in Tokyo, Japan; as well as Forum Value Mall in Bangalore, India.

CapitaMalls Asia's principal business strategy is to strengthen its market position as a leading developer, owner and manager of shopping malls in Asia. CapitaMalls Asia aims to maintain a balanced real estate investment portfolio of predominantly income-producing shopping malls in the more developed Asian countries, such as Singapore, Malaysia and Japan, to provide income stability, while expanding its portfolio of operating shopping malls and other retail properties under development in China, and pursuing selective developments in Singapore, Malaysia, Japan and India.

CapitaMalls Asia was listed on the Main Board of the SGX-ST on 25 November 2009 and was secondary-listed on the HKEx on 18 October 2011.

A list of the principal activities of the subsidiaries of the Group and their places of incorporation and business, and the effective interest held by the Group in these subsidiaries as of 31 December 2010 and 30 September 2011 respectively, is set out in Appendix A of this Offer Information Statement.

- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since —**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
  - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

## The Issuer

The Issuer was incorporated with limited liability under the laws of the Republic of Singapore on 13 January 2010. Please see paragraph 9(b) of Part IV “Key Information — Information on the Relevant Entity” of this Sixteenth Schedule section.

Since its incorporation, the Issuer has primarily engaged in financing activities to fulfill its function as the funding vehicle for the Group. Such activities include the establishment of several bank facilities, the establishment of the EMTN Programme, which is unconditionally and irrevocably guaranteed by CapitaMalls Asia and the issuance of S\$350,000,000 in aggregate principal amount of 3.95 per cent. Fixed Rate Notes due 2017 under the EMTN Programme and the issuance of the one-year and three-year retail bonds bearing interest of 1.00 per cent. and 2.15 per cent. per annum, respectively.

There has been no material change in the affairs of the Issuer since the end of the financial year ended 31 December 2010.

## CapitaMalls Asia and the Group

### General business developments in FY2008

In Singapore, CapitaMalls Asia, through CMT, acquired The Atrium@Orchard and saw the completion of the retail units at a new four-storey retail extension block of Lot One Shoppers’ Mall, as well as the redevelopment completion of Sembawang Shopping Centre.

It was announced in 2008 that CapitaMalls Asia had entered into two separate joint ventures (the “**A IPL JV**” and the “**Prestige JV**”) with Advance India Projects Limited and Prestige Estates Projects Limited respectively to invest, develop and manage retail or predominantly retail projects in India. As at 31 December 2007, there were eight projects identified under the A IPL JV, and seven projects identified under the Prestige JV. The total asset value of the projects was over S\$2.1 billion with a total leaseable area of over 11.0 million square feet, as at 31 December 2007.

On 5 February 2008, CRCT completed the acquisition of CapitaMall Xizhimen, Beijing from the China Incubator Fund. For the purpose of part-financing the acquisition, CRCT issued new units with entire net proceeds of up to approximately S\$182.3 million in 2008. In 2008, CapitaMalls Asia recognised a deferred disposal gain from divestment of CapitaMall Wangjing, Beijing to CRCT of approximately S\$18.6 million, and a divestment gain of S\$14.5 million from a part disposal of its interest in The Link REIT.

In Malaysia, CapitaMalls Asia acquired interests in Sungei Wang Plaza, a retail mall in Kuala Lumpur and commenced asset enhancements of The Mines.

### General business developments in FY2009

On 25 November 2009, the Shares were listed on the SGX-ST, providing it with access to the capital markets to accelerate the growth of its business. The proceeds of S\$2.8 billion raised during this process made it the largest initial public offering in Singapore in 16 years, at the time of the initial public offering.

CMT completed a fully underwritten renounceable 9-for-10 rights issue for 1.5 billion rights units in April 2009. The net proceeds of approximately S\$1.2 billion were used mainly to repay borrowings due in the year. This reduced CMT’s gearing to 30.5 per cent. as at 31 December 2009, strengthening its financial position to seize growth opportunities.

In 2009, CapitaMalls Asia opened 11 malls in the region and carried out asset enhancements at some existing malls, including Raffles City Singapore, CapitaMall Saihan in China and The Mines in Malaysia. As at 31 December 2009, CapitaMalls Asia had interests in and managed a pan-Asian portfolio of 86 retail properties across 48 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$20.4 billion and a total GFA of about 66.6 million square feet.

In Singapore, the watershed event was the opening of ION Orchard in July 2009. Located in the heart of Orchard Road, the 640,000 square feet mall is a landmark retail development. The mall was well-committed, with more than 97.0 per cent. leased. ION Orchard also won the Best Shopping Centre award at the Marché International des Professionnels de l'Immobilier Asia 2009 Awards. In addition, in recognition of its asset enhancement, Raffles City Singapore also won a Silver award at the 2009 International Council of Shopping Centers Asia Shopping Centre Awards.

In China, CapitaMalls Asia accelerated the development of a significant number of malls, and sought opportunities to expand CapitaMalls Asia's portfolio in key cities. As at 31 December 2009, CapitaMalls Asia had a diversified portfolio of 50 properties across 33 cities, with a total GFA of 43.4 million square feet. Of these, 33 malls were operational, including nine new malls which opened in Beijing, Chengdu, Yibin, Yiyang, Zhaoqing, Dongguan, Kunshan, Yangzhou and Deyang during the year. As at 31 December 2009, the other 17 malls were slated to open over the next few years. In 2009, CapitaMalls Asia was named one of China's Top 10 Most Influential Retail Real Estate Companies.

In India, CapitaMalls Asia opened its first shopping mall — Forum Value Mall, Bangalore — in June 2009. As at 31 December 2009, it had about 94.0 per cent. committed leases. As at 31 December 2009, CapitaMalls Asia had another eight malls under development in India.

In Malaysia, where CapitaMalls Asia acquired three assets in late 2007 and 2008, CapitaMalls Asia's focus in 2009 was on value extraction — particularly asset enhancement of The Mines in Selangor and Sungei Wang Plaza in Kuala Lumpur. The revamp of The Mines included the construction of an extension block (which added approximately 80,000 square feet of additional area) and link bridges. New retail concepts were introduced and the occupancy rate grew from about 84.8 per cent. as at 31 December 2007 to 97.5 per cent. as at 31 December 2009.

As for Japan, the reconfiguration of Chitose Mall in Hokkaido into a multi-tenant shopping mall was completed in 2009. CapitaMalls Asia also started plans for asset enhancement of Vivit Square in Tokyo, CapitaMalls Asia's largest mall in Japan, and works have been completed in 2010.

CapitaMalls Asia won a host of awards at the Euromoney Real Estate Awards 2009. These included Best Retail Developer awards for Asia, Singapore and China.

#### General business developments in FY2010

In April 2010, CapitaMalls Asia established the EMTN Programme using the Issuer as the issuer of notes under the EMTN Programme, with the intention that the net proceeds arising from the issue of notes under the EMTN Programme would be used for the purpose of refinancing existing borrowings and financing the investments and general corporate purposes of the Issuer, CapitaMalls Asia and the subsidiaries and associated companies of CapitaMalls Asia. The notes issued under the EMTN Programme are unconditionally and irrevocably guaranteed by CapitaMalls Asia. S\$350,000,000 in aggregate principal amount of 3.95 per cent. Fixed Rate Notes due 2017 was issued in August 2010 under the EMTN Programme.

In Singapore, in July 2010, CapitaMalls Asia divested its interest in Clarke Quay to CMT for a consideration of S\$268.0 million. It also successfully tendered for the Bedok Town Centre site at a tender price of approximately S\$788.9 million through its joint venture with CapitaLand in September 2010. The site has a land area of approximately 24,902 square metres, with a proposed total GFA of approximately 94,130 square metres (including the bus interchange), and with a lease term of 99 years commencing from the date of full payment of the tender price. CapitaMalls Asia and CapitaLand intend to develop the Bedok Town Centre site into a mixed residential-retail development. In November 2010, Raffles City Singapore clinched the Green Mark Gold Award from the Building and Construction Authority in Singapore (“**BCA**”). This award recognises developers with a strong commitment towards corporate social responsibility and outstanding achievements in environment sustainability. ION Orchard continues to be a star for shoppers and was awarded Best Shopping Experience 2010 by the Singapore Tourism Board.

In China, CapitaMalls Asia acquired CapitaMall Meilicheng, Chengdu in February 2010 for approximately S\$94.6 million. The mall is part of a mixed-use development, comprising retail and residential components. The target opening date of the mall is mid-2013 and it will have a total gross rentable area of 58,350 square metres when completed. CapitaMalls Asia also acquired an integrated development comprising retail, residential and office components now known as CapitaMall Tianfu in Chengdu in March 2010 from China Development Fund II for approximately S\$114.0 million. The target opening date of the integrated development is end-2013 and when completed, it will have a total GFA of 212,684 square metres comprising of a shopping mall with a GFA of 155,251 square metres, residential and office components with planned GFA of 33,826 square metres and 19,868 square metres respectively, and 3,739 square metres for other ancillary purposes.

In November 2010, CapitaMalls Asia entered into an agreement to obtain an effective 66 per cent. investment in a prime shopping mall and office development in Shanghai, China. The entire development, which is strategically located in Luwan district, is expected to be completed by 2015. Upon completion, the development will have a total GFA of 127,564 square metres.

On 30 December 2010, CapitaMalls Asia acquired an effective 17.1 per cent. stake in Raffles City Changning (“**RCCN**”) site in Shanghai for a purchase consideration of approximately S\$187.2 million. CapitaMalls Asia also entered into a joint venture with a subsidiary of CapitaLand and two other unrelated parties to develop RCCN into an integrated mixed development which will comprise a Grade A office tower and a shopping mall. The project will also comprise commercial apartments and small-office-home-office units to be developed for strata sale. Planning and development works for RCCN are underway and it is slated to be completed in phases from 2014.

In July 2010, CapitaMalls Asia listed CMMT on the Main Market of Bursa Malaysia Securities Berhad. Upon listing, CapitaMalls Asia retained a stake of 41.74 per cent. in CMMT, which held the three Malaysia shopping malls under CapitaMalls Asia’s portfolio.

CapitaMalls Asia once again was awarded the Best Retail Developer for Asia, Singapore and China at the Euromoney Real Estate Awards 2010.

#### General business developments for the period between 1 January 2011 to the Latest Practicable Date

CapitaMalls Asia was secondary-listed on the HKEx on 18 October 2011.

In Singapore, CapitaMalls Asia acquired the Jurong Gateway Site in May 2011, where its interest is held through a 50:30:20 joint venture among CapitaMalls Asia, CMT and

CapitaLand respectively. The Jurong Gateway Site is conveniently located in a prime area within Jurong Gateway. Jurong Gateway is part of Jurong Lake District, which will be the biggest commercial hub in Singapore. The current plan is for the site to be developed into a retail-cum-office development. The site is approximately 195,463 square feet with a maximum permissible GFA of 957,772 square feet, of which an estimated 60 per cent. will be utilised to develop a shopping mall. CapitaMalls Asia expects that the shopping mall will commence operations in advance of the Christmas shopping season in 2013, with the office component to be completed in 2014.

On 1 April 2011, CMT acquired the shopping mall known as “Iluma” (“**Iluma**”) in Singapore for S\$295.0 million. Iluma, which opened in early April 2009, is located opposite Bugis Junction shopping mall at Victoria Street, Singapore, which is also one of CMT’s existing properties. Iluma has an NLA of 185,190 square feet, and contains a mix of retail, food and beverage and entertainment outlets. It is connected via a link-bridge to Bugis Junction, and together, these shopping malls create a combined shopping destination with an NLA of more than 605,000 square feet.

JCube (formerly known as Jurong Entertainment Centre) which is scheduled to open in 2012 won the Green Mark Platinum for Building Award 2011 by the BCA. Bugis Junction, Raffles City Singapore & The Atrium@Orchard also won the Green Mark Gold for Building Award 2011. Orchard Turn Development was also awarded for Design and Engineering Safety Excellence by the BCA. This award recognises the efforts of the qualified person for structural works, his firm and the project team for ingenious design process and solutions in overcoming project challenges and ensuring safety in the design, construction and maintenance of building and civil engineering projects locally and overseas.

In China, HSBC Institutional Trust Services (Singapore) Limited, on behalf of CRCT, entered into a conditional share purchase agreement on 5 May 2011 for the acquisition of CapitaMall Minzhongleyuan located in Wuhan, Hubei Province. The purchase consideration was S\$69.8 million, which includes the agreed property price of RMB395.0 million. The property enjoys prime frontage along Zhongshan Avenue, an established shopping and entertainment belt and one of the busiest streets in Wuhan, China. The acquisition was completed on 30 June 2011.

On 24 May 2011, CapitaMalls Asia announced that it was converting its CapitaRetail China Development Fund to an income fund. With this conversion, investors could expect to receive distribution income from the fund’s portfolio of 24 operational malls. The fund has been upsized by 50% to US\$900 million.

On 18 August 2011, CapitaMalls Asia entered into two separate conditional agreements to increase its interest in Minhang Plaza and Hongkou Plaza in Shanghai through 50:50 joint ventures with China Incubator Fund and China Income Fund respectively. Following the acquisition, CapitaMalls Asia’s jointly-held effective stake in Minhang Plaza will be increased to 65.0 per cent. and that in Hongkou Plaza will be increased to 72.5 per cent.

On 28 September 2011, CapitaMalls Asia entered into a conditional agreement with Suzhou Industrial Park Jinji Lake Urban Development Co., Ltd. (an unrelated third party) through CapitaMalls Asia’s wholly-owned subsidiary, CMA China II Developments (HK1) Limited, to jointly develop and own, by way of a 50:50 joint venture, a shopping mall and two office towers with a total GFA of about 310,000 square meters on a site in Suzhou, China, in the West Jinji Lake central business district, next to Jinji Lake.

On 29 November 2011, CapitaMalls Asia announced that a joint tender by the subsidiaries of CapitaLand, CapitaMalls Asia and Singbridge Holdings Pte. Ltd. (“**Singbridge**”) for the Chao Tian Men Site, had been accepted by the Chongqing Government. The Chao Tian Men

Site was awarded at the tender price of RMB6,536.0 million (approximately S\$1,282.8 million). The site has a land area of approximately 91,783 square metres, with a total GFA of about 817,000 square metres. CapitaLand, CapitaMalls Asia and Singbridge intend to develop the Chao Tian Men Site into a landmark mixed development designed by renowned architect Moshe Safdie, which will include a shopping mall and eight towers for residential, office and hotel/serviced residence use. The Chao Tian Men Site is strategically located in the heart of Yuzhong District in Chongqing, China at the strategic gateway to Chongqing at Chao Tian Men with frontage along two important rivers, Yangtze River and Jialing River, and is considered the crown jewel of Chongqing.

In Malaysia, CMMT acquired Gurney Plaza Extension for RM215.0 million on 28 March 2011. The property is located in Georgetown in the state of Penang, Malaysia. Gurney Plaza Extension, which started operations in 2008, is a nine-storey retail extension block that is adjoining Gurney Plaza and is fully integrated with the latter. Gurney Plaza and Gurney Plaza Extension have an aggregate NLA of 848,657 square feet as at 30 September 2011.

CapitaMalls Asia completed the acquisition of Queensbay Mall in Penang, Malaysia on 1 April 2011, for a total acquisition cost of RM660.0 million including acquisition-related costs. The acquisition was carried out through CapitaMalls Asia's subsidiaries and an asset-backed securitisation structure.

On 14 November 2011, CMMT acquired East Coast Mall in Kuantan for RM310.0 million. East Coast Mall is a modern, four-storey lifestyle shopping mall with an NLA of more than 441,000 square feet.

In India, CapitaMalls Asia soft opened its second shopping mall — The Celebration Mall, Udaipur — in June 2011. CapitaMalls Asia has another seven projects under development in India.

In April 2011, CapitaMalls Asia undertook a rebranding exercise of its mall portfolio in China to build a unified mall brand that is scalable for CapitaMalls Asia's business growth. The new mall brand also has a stronger association to its corporate brand — CapitaMalls Asia.

The following table shows the names of the malls in China before and after the rebranding as of April 2011:

<b>Province</b>	<b>City</b>	<b>Name of Mall prior to Rebranding</b>	<b>Name of Mall after Rebranding (with City)</b>
Beijing	Beijing	Anzhen Mall●Beijing	CapitaMall Anzhen, Beijing
	Beijing	Cuiwei Mall●Beijing	CapitaMall Cuiwei, Beijing
	Beijing	Jiulong Mall●Beijing	CapitaMall Shuangjing, Beijing
	Beijing	Taiyanggong Mall●Beijing	CapitaMall Taiyanggong, Beijing
	Beijing	Wangjing Mall●Beijing	CapitaMall Wangjing, Beijing
	Beijing	Ximao Mall●Beijing	CapitaMall Crystal, Beijing
	Beijing	Xizhimen Mall●Beijing	CapitaMall Xizhimen, Beijing
	Beijing	Raffles City Beijing	Raffles City Beijing
Inner Mongolia	Huhhot	Saihan Mall●Huhhot	CapitaMall Saihan, Huhhot
Tianjin	Tianjin	TianjinOne Mall●Tianjin	CapitaMall TianjinOne, Tianjin

<b>Province</b>	<b>City</b>	<b>Name of Mall prior to Rebranding</b>	<b>Name of Mall after Rebranding (with City)</b>
Heilongjiang	Harbin	Aidemengdun Mall●Harbin	CapitaMall Aidemengdun, Harbin
	Harbin	Xuefu Mall●Harbin	CapitaMall Xuefu, Harbin
Liaoning	Dalian	Peace Plaza●Dalian	CapitaMall Peace Plaza, Dalian
Shandong	Weifang	Gaoxin Mall●Weifang	CapitaMall Weifang
	Zibo	Liuquan Mall●Zibo	CapitaMall Zibo
	Rizhao	Rizhao Mall●Rizhao	CapitaMall Rizhao
Henan	Anyang	Anyang Mall●Anyang	CapitaMall Beiguan, Anyang
	Xinxiang	Xinxiang Mall●Xinxiang	CapitaMall Hongqi, Xinxiang
	Zhengzhou	Zhengzhou Mall●Zhengzhou	CapitaMall Erqi, Zhengzhou
	Zhengzhou	Jinshui Mall●Zhengzhou	CapitaMall Jinshui, Zhengzhou
Hubei	Wuhan	Zhongshan Mall●Wuhan	CapitaMall Wusheng, Wuhan
	Wuhan	New Minzhong Leyuan Mall	CapitaMall Minzhongleyuan, Wuhan
Hunan	Changsha	Yuhuating Mall●Changsha	CapitaMall Yuhuating, Changsha
	Yiyang	Taohualun Mall●Yiyang	CapitaMall Taohualun, Yiyang
Jiangxi	Nanchang	Chengnanyuan Mall●Nanchang	CapitaMall Chengnanyuan, Nanchang
Chongqing	Chongqing	Jiulongpo Mall●Chongqing	CapitaMall Jiulongpo, Chongqing
	Chongqing	Shapingba Mall●Chongqing	CapitaMall Shapingba, Chongqing
Shaanxi	Xi'an	Xindicheng Mall●Xi'an	CapitaMall Xindicheng, Xi'an
Sichuan	Chengdu	Jinniu Mall●Chengdu	CapitaMall Jinniu, Chengdu
	Chengdu	Shawan Mall●Chengdu	CapitaMall Shawan, Chengdu
	Chengdu	Tianfu Mall●Chengdu	CapitaMall Tianfu, Chengdu
	Deyang	Jingyang Mall●Deyang	CapitaMall Deyang
	Mianyang	Fucheng Mall●Mianyang	CapitaMall Fucheng, Mianyang
	Yibin	Nan'an Mall●Yibin	CapitaMall Nan'an, Yibin
	Chengdu	Raffles City Chengdu	Raffles City Chengdu
	Chengdu	Meili Mall●Chengdu	CapitaMall Meilicheng, Chengdu
Anhui	Wuhu	Xinwu Mall●Wuhu	CapitaMall Wuhu
Jiangsu	Kunshan	Yushan Mall●Kunshan	CapitaMall Kunshan
	Yangzhou	Weiyang Mall●Yangzhou	CapitaMall Yangzhou
Zhejiang	Hangzhou	Raffles City Hangzhou	Raffles City Hangzhou
	Ningbo	Raffles City Ningbo	Raffles City Ningbo

Province	City	Name of Mall prior to Rebranding	Name of Mall after Rebranding (with City)
Shanghai	Shanghai	Luwan Site	To be determined
	Shanghai	Longzhimeng Hongkou	Hongkou Plaza, Shanghai
	Shanghai	Longzhimeng Minhang	Minhang Plaza, Shanghai
	Shanghai	Qibao Mall●Shanghai	CapitaMall Qibao, Shanghai
	Shanghai	Raffles City Shanghai	Raffles City Shanghai
	Shanghai	Raffles City Changning	Raffles City Changning
Fujian	Quanzhou	Jiangbin Mall●Quanzhou	CapitaMall Quanzhou
	Zhangzhou	Xiangcheng Mall●Zhangzhou	CapitaMall Zhangzhou
Guangdong	Foshan	Guicheng Mall●Foshan	CapitaMall Guicheng, Foshan
	Maoming	Maonan Mall●Maoming	CapitaMall Maoming
	Dongguan	Nancheng Mall●Dongguan	CapitaMall Dongguan
	Zhanjiang	Chikan Mall●Zhanjiang	CapitaMall Zhanjiang
	Zhaoqing	Duanzhou Mall●Zhaoqing	CapitaMall Zhaoqing

On 8 September 2011, CapitaMalls Asia renamed certain of its fund management entities, and on 9 September 2011, CapitaMalls Asia renamed certain of its funds. The following table shows the names of these entities before and after their renaming:

Former Name	Current Name (as of 8 or 9 September 2011)
<b>Funds</b>	
CapitaRetail China Incubator Fund	CapitaMalls China Incubator Fund
CapitaRetail China Development Fund II	CapitaMalls China Development Fund II
CapitaRetail India Development Fund	CapitaMalls India Development Fund
CapitaRetail Japan Fund Private Limited	CapitaMalls Japan Fund Pte. Ltd.
<b>Fund Managers</b>	
CapitaRetail China Fund Management Pte. Ltd.	CapitaMalls China Fund Management Pte. Ltd.
CapitaRetail India Fund Management Pte. Ltd.	CapitaMalls India Fund Management Pte. Ltd.
CapitaRetail Japan Fund Management Private Limited	CapitaMalls Japan Fund Management Pte. Ltd.

Save as disclosed in this Offer Information Statement, there has been no material changes in the affairs of the Guarantor and the Group since the end of the third quarter ended 30 September 2011.

- (d) **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing —**
- (i) **in the case of the equity capital, the issued capital; or**

- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

### The Issuer

As at the Latest Practicable Date, the equity capital of the Issuer is as follows:

Share capital — issued and fully paid	S\$10,000,000
Number of issued and paid-up ordinary shares	10,000,000

As at the Latest Practicable Date, the loan capital of the Issuer is as follows:

Securities	Amount issued and outstanding	Coupon per annum
3.95 per cent. Fixed Rate Notes due 2017 issued pursuant to the EMTN Programme	S\$350,000,000	3.95%
1.00 per cent. Retail Bonds due 2012	S\$75,000,000	1.00%
2.15 per cent. Retail Bonds due 2014	S\$125,000,000	2.15%

### CapitaMalls Asia

As at the Latest Practicable Date, the equity capital of CapitaMalls Asia is as follows:

Share capital — issued and fully paid	S\$4,607,514,343.179
Number of issued and paid-up ordinary shares	3,885,081,827

As at the Latest Practicable Date, the loan capital of CapitaMalls Asia was issued under the Issuer.

(e) where —

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

### Issuer

As at the Latest Practicable Date, the number of shares held by the substantial shareholder, as shown in the Register of Substantial Shareholders, is as follows:

	No. of ordinary shares in which substantial shareholder has a direct interest	No. of ordinary shares in which substantial shareholder is deemed to have an interest	Total number of ordinary shares
CapitaMalls Asia Limited	10,000,000	10,000,000	10,000,000

## CapitaMalls Asia

As at the Latest Practicable Date, the number of shares held by the substantial shareholder, as shown in the Register of Substantial Shareholders, is as follows:

	<b>No. of ordinary shares in which substantial shareholder has a direct interest</b>	<b>No. of ordinary shares in which substantial shareholder is deemed to have an interest</b>	<b>Total number of ordinary shares</b>
Temasek Holdings (Private) Limited	0	2,554,792,409	2,554,792,409 <sup>1</sup>
CapitaLand Limited	2,544,020,000	0	2,544,020,000

**Note:**

1. By virtue of Section 7 of the Companies Act, Temasek Holdings (Private) Limited (“**Temasek**”) is deemed to have any interest in 2,554,792,409 ordinary shares in which Temasek’s subsidiaries and associated companies have or is deemed to have an interest. Temasek is wholly owned by the Minister for Finance, Singapore.

- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of this Offer Information Statement, the directors of the Issuer and CapitaMalls Asia are not aware of any legal or arbitration proceedings to which any member of the Group is a party or which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of this Offer Information Statement, a material effect on the financial position or profitability of the Issuer or the Group.

- (g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date —**
- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**

### The Issuer

During the 12 months immediately preceding the Latest Practicable Date, the Issuer issued the following series of notes:

<b>Description of the notes</b>	<b>Number of notes</b>	<b>Issue Price (per note)</b>	<b>Issue Date</b>
1.00 per cent. Retail Bonds due 2012	75,000,000	S\$1.00	21 January 2011
2.15 per cent. Retail Bonds due 2014	125,000,000	S\$1.00	21 January 2011

Save as disclosed above, no securities or equity interests have been issued by the Issuer for cash within the 12 months immediately preceding the Latest Practicable Date.

#### **CapitaMalls Asia**

No securities or equity interests have been issued by CapitaMalls Asia for cash within the 12 months immediately preceding the Latest Practicable Date.

- (ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**

#### **The Issuer**

The Issuer has not issued any securities or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

#### **CapitaMalls Asia**

CapitaMalls Asia has not issued any securities or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date. For the avoidance of doubt, CapitaMalls Asia has granted share awards to its employees under its two share-based payment plans: the Performance Share Plan and the Restricted Stock Plan.

Save as disclosed above, no securities or equity interests have been issued by CapitaMalls Asia for services within the 12 months immediately preceding the Latest Practicable Date.

- (h) **a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**

#### **The Issuer**

The Issuer has not entered into any material contracts outside the ordinary course of business since its incorporation.

#### **CapitaMalls Asia and the Group**

- (a) The shared services agreements dated 28 December 2010 and 29 December 2011 entered into between CapitaLand and CapitaMalls Asia in relation to advisory and other services provided by CapitaLand to CapitaMalls Asia. A formula-based fee (subject to a minimum of S\$2.5 million per annum) will be charged by CapitaLand on cost-recovery basis but will include a 5.0 per cent. mark-up to cover administrative costs;

- (b) The agreements for use of CapitaLand's Information Technology infrastructure dated 1 July 2010, 28 December 2010 and 29 December 2011 entered into between CapitaLand and CapitaMalls Asia. A formula-based fee will be charged by CapitaLand on cost-recovery basis but will include a 5.0 per cent. mark-up to cover administrative costs;
- (c) The placement agreement dated 8 July 2010 entered into between CapitaMalls Asia, its majority-owned subsidiary CapitaMalls Malaysia REIT Management Sdn. Bhd., its wholly-owned subsidiary Menang Investment Limited, CIMB Investment Bank Berhad, J.P. Morgan Securities Ltd. and Maybank Investment Bank Berhad, (the latter three parties collectively, the "**CMMT Underwriters**"), in relation to the underwriting by the CMMT Underwriters of the conditional offer for sale by Menang Investment Limited of 719,022,000 units in CMMT in connection with the initial public offering of CMMT in June 2010, in consideration of a commission of 2.0 per cent. of the gross proceeds from the sale of the aforesaid units in CMMT, excluding any discretionary incentive fee, borne by Menang Investment Limited;
- (d) The underwriting agreement dated 10 June 2010 entered into between CapitaMalls Asia, its majority-owned subsidiary CapitaMalls Malaysia REIT Management Sdn. Bhd., its wholly-owned subsidiary Menang Investment Limited and the CMMT Underwriters in connection with the underwriting of 67,500,000 units in CMMT offered as part of its initial public offering in June 2010, in consideration of a commission of RM1,485,000, excluding any discretionary incentive fee, of which RM1,001,000 was borne by Menang Investment Limited and RM484,000 was borne by the trustee of CMMT; and
- (e) The unit lending agreement dated 8 July 2010 entered into between CapitaMalls Asia's wholly-owned subsidiary Menang Investment Limited and J.P. Morgan Securities Ltd, as stabilising manager ("**CMMT Stabilising Manager**"), pursuant to which the CMMT Stabilising Manager could borrow up to an aggregate of 117,978,000 CMMT units from Menang Investment Limited for the purpose of effecting over-allotment of CMMT units or stabilisation activities in connection with the initial public offering of CMMT in June 2010.

Save as disclosed above, the members of the Group have not entered into any material contracts outside the ordinary course of business for the period of two years immediately preceding the date of lodgment of this Offer Information Statement.

## **PART V — OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

### **Operating Results**

#### **1. Provide selected data from —**

- (a) **the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and**

- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

### The Issuer

As the Issuer was incorporated on 13 January 2010, the Issuer will not have any audited income statement prior to FY2010. The Issuer has only audited and published its audited income statement for FY2010. Please refer to Appendix F of this Offer Information Statement for the audited income statement of the Issuer for FY2010.

The Issuer has not prepared any interim income statement. The Guarantor will prepare interim consolidated income statements for the Group.

### CapitaMalls Asia and the Group

Please refer to Appendices B and E of this Offer Information Statement.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
  - (b) earnings or loss per share; and
  - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

### The Issuer

	FY2010
Earnings per share (cents)	13.4
Earnings per share after adjustment to reflect the issue of the Bonds (cents) <sup>(1)</sup>	13.4
Earnings per share after adjustment to reflect the issue of the Bonds (cents) <sup>(2)</sup>	13.4
Dividends per share (cents)	0

#### **Notes:**

- (1) The calculation of adjusted earnings per share is based on the assumptions that the Bonds to be issued in this offering in the total amount of S\$200 million had been issued in FY2010 and the Issuer had provided interest-bearing loans to its related corporations using the proceeds from the Offer.
- (2) The calculation of adjusted earnings per share is based on the assumptions that the Bonds to be issued in this offering in the total amount of S\$400 million had been issued in FY2010 and the Issuer had provided interest-bearing loans to its related corporations using the proceeds from the Offer.

**CapitaMalls Asia (on a consolidated basis)**

	<b>For the nine-month period ended 30 September</b>			
	<b>2011</b>	<b>FY2010</b>	<b>FY2009</b>	<b>FY2008</b>
Basic earnings per share (cents) <sup>(1)</sup>	6.4	13.9	13.9	34.9
Diluted earnings per share (cents) <sup>(2)</sup>	6.4	13.9	13.9	34.9
Basic earnings per share after adjustment to reflect the issue of the Bonds (cents) <sup>(1)(3)</sup>	6.3	13.7	13.5	32.4
Diluted earnings per share after adjustment to reflect the issue of the Bonds (cents) <sup>(2)(3)</sup>	6.3	13.7	13.5	32.4
Basic earnings per share after adjustment to reflect the issue of the Bonds (cents) <sup>(1)(4)</sup>	6.1	13.5	13.1	29.8
Diluted earnings per share after adjustment to reflect the issue of the Bonds (cents) <sup>(2)(4)</sup>	6.1	13.5	13.1	29.8
Dividends per share (cents)	1.5	2.0	1.0	10.7

**Notes:**

- (1) The basic earnings per share is calculated based on the weighted average number of shares outstanding of 331,315,000 for the financial year ended 31 December 2008, 1,926,463,000 for the financial year ended 31 December 2009, 3,884,000,000 for the financial year ended 31 December 2010, and 3,884,848,000 for the nine months ended 30 September 2011.
- (2) The diluted earnings per share are calculated based on the weighted average number of shares outstanding of 331,315,000 for the financial year ended 31 December 2008, 1,926,463,000 for the financial year ended 31 December 2009, 3,888,880,000 for the financial year ended 31 December 2010, and 3,894,048,000 for the nine months ended 30 September 2011.
- (3) The calculation of adjusted earnings per share is based on the assumption that the Bonds to be issued in this offering in the total amount of S\$200 million had been issued since FY2008.
- (4) The calculation of adjusted earnings per share is based on the assumption that the Bonds to be issued in this offering in the total amount of S\$400 million had been issued since FY2008.

Please also refer to Appendices B and E to this Offer Information Statement.

**3. In respect of —**

**(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**

**(b) any subsequent period for which interim financial statements have been published,**

**provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.**

## **The Issuer**

Please see paragraph 1 of Part V “Operating and Financial Review and Prospects — Operating Results” of this Sixteenth Schedule section.

## **CapitaMalls Asia and the Group**

The following sets out a financial review for each of FY2010, FY2009 and FY2008:

### **FY2010 compared with FY2009**

The increase in revenue from S\$228.9 million in FY2009 to S\$245.4 million in FY2010 was mainly due to higher contributions from the fund management entities and higher project management fees from Singapore. However, the increase was partially offset by loss of revenue from the three malls in Malaysia and Clarke Quay which were monetised, as well as lower management fees from Singapore and China.

The increase in EBIT from S\$408.3 million in FY2009 to S\$603.4 million in FY2010 was mainly due to higher profit recognition from sale of units in The Orchard Residences, higher contributions from ION Orchard which commenced operations in July 2009, higher contributions from CMT and fund management entities, as well as higher foreign exchange gain. These were partially offset by lower revaluation gains of properties, absence of divestment gain from the sale of Link REIT units, as well as lower share of contributions from the three malls in Malaysia and Clarke Quay which were monetised. Finance costs in FY2010 were lower primarily due to the capitalisation of loans from CapitaLand and its related corporation prior to CapitaMalls Asia’s IPO in November 2009 resulting in lower finance costs for the current year.

Overall, the Group achieved a PATMI of S\$541.3 million, a 101.5% increase as compared to S\$268.7 million in FY2009.

### **FY2009 compared with FY2008**

The increase in revenue from FY2008 of S\$205.2 million to S\$228.9 million in FY2009 was mainly due to full year contribution from Sungei Wang Plaza, higher contribution from existing malls and contribution from retail fund management entities, but partially offset by lower project management fees.

The increase in EBIT from S\$305.7 million in FY2008 to S\$408.3 million in FY2009 was due to profit recognition from sale of units of The Orchard Residences, higher fair value gain on revaluation of investment properties, better performance of the three Malaysia malls and higher gains on disposal of investments in FY2009 as compared to FY2008.

FY2009’s finance costs were lower primarily due to lower interest rates charged by CapitaLand for U.S. Dollar denominated loans extended to the Group. Moreover, the inter-company loans due to CapitaLand have been capitalised on 16 November 2009 in preparation for the IPO and no further interest was incurred. The Group’s gross external bank borrowings have increased from S\$231.1 million as at 31 December 2008 to S\$502.9 million as at 31 December 2009. However, the Group’s net debt to equity has improved from 0.06 as at 31 December 2008 to a net cash position as at 31 December 2009.

After taking into account finance costs and taxes, the Group’s FY2009 PATMI was S\$268.7 million as compared to S\$115.6 million for FY2008.

## Nine months ended 30 September 2011 compared with the nine months ended 30 September 2010

Revenue reduced to S\$179.9 million in nine months ended 30 September 2011 mainly due to divestment of three Malaysia malls to CMMT and Clarke Quay to CMT in July 2010. The decrease was partially mitigated by rental revenue from Queensbay Mall, higher contributions from the fund management entities and higher property and project management fees.

EBIT increased to S\$324.7 million in nine months ended 30 September 2011 from S\$239.8 million in nine months ended 30 September 2010 primarily attributable to higher fair value gain on properties of S\$152.3 million, but partially offset by lower profit from sale of units of The Orchard Residences by S\$24.9 million, provision for Hong Kong listing expenses of S\$13.0 million, absence of contribution by Clarke Quay, lower share of contributions from the divested Malaysia malls of S\$19.6 million, and foreign exchange loss of S\$6.5 million as compared to a gain of S\$10.8 million in nine months ended 30 September 2010.

The higher finance costs in nine months ended 30 September 2011 were primarily due to the issue of medium term notes in the third quarter of 2010, senior notes in the second quarter of 2011 and retail bonds in the first quarter of 2011 for funding of new investments, partially offset by repayments of external bank loans in China and redemption of notes in Malaysia.

Overall, after taking into account finance costs and taxes, the Group achieved a PATMI of S\$250.6 million in nine months ended 30 September 2011, an increase of 25.7% compared to nine months ended 30 September 2010.

Excluding the one-off provision for Hong Kong listing expenses of S\$13.0 million in nine months ended 30 September 2011, the Group's EBIT and PATMI for nine months ended 30 September 2011 would have been S\$337.7 million and S\$263.6 million, respectively.

### **Financial Position**

4. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of —**
  - (a) **the most recent completed financial year for which audited financial statements have been published; or**
  - (b) **if interim financial statements have been published for any subsequent period, that period.**

### **The Issuer**

Please see paragraph 1 of Part V "Operating and Financial Review and Prospects — Operating Results" of this Sixteenth Schedule section and refer to Appendix G of this Offer Information Statement.

### **CapitaMalls Asia and the Group**

Please also refer to Appendices C and E of this Offer Information Statement.

5. **The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:**
  - (a) **number of shares after any adjustment to reflect the sale of new securities;**

- (b) net assets or liabilities per share; and
- (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

**The Issuer**

	<b>FY2010</b>
Number of shares ('000)	10,000
Net asset value (S\$) per share	1.10
Net asset value <sup>(1)</sup> (S\$) per share	1.10
Net asset value <sup>(2)</sup> (S\$) per share	1.10

**Notes:**

- (1) The calculation of net asset value per share is based on the assumptions that the Bonds to be issued in this offering in the total amount of S\$200 million had been issued in FY2010 and the Issuer had provided interest-bearing loans to its related corporations using the proceeds from the Offer.
- (2) The calculation of net asset value per share is based on the assumptions that the Bonds to be issued in this offering in the total amount of S\$400 million had been issued in FY2010 and the Issuer had provided interest-bearing loans to its related corporations using the proceeds from the Offer.

**CapitaMalls Asia (on a consolidated basis)**

	<b>For the nine months ended 30 September 2011</b>	<b>FY2010</b>
Number of shares ('000)	3,885,082	3,884,000
Net asset value <sup>(1)</sup> (S\$) per share	1.50	1.50
Net asset value <sup>(1)(2)</sup> (S\$) per share	1.50	1.50
Net asset value <sup>(1)(3)</sup> (S\$) per share	1.50	1.50

**Notes:**

- (1) Based on the total net asset value of the Group.
- (2) The calculation of net asset value per share is based on the assumption that the Bonds to be issued in this offering in the total amount of S\$200 million had been issued since FY2010.
- (3) The calculation of net asset value per share is based on the assumption that the Bonds to be issued in this offering in the total amount of S\$400 million had been issued since FY2010.

Please also refer to Appendices C and E of this Offer Information Statement.

**Liquidity and Capital Resources**

- 6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
  - (a) the most recent completed financial year for which financial statements have been published; and
  - (b) if interim financial statements have been published for any subsequent period, that period.

### The Issuer

Please see paragraph 1 of Part V “Operating and Financial Review and Prospects — Operating Results” of this Sixteenth Schedule section and refer to Appendix H of this Offer Information Statement.

### CapitaMalls Asia and the Group

Please refer to Appendices D and E of this Offer Information Statement.

7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

### The Issuer

In the reasonable opinion of the directors of the Issuer, after taking into consideration the various existing funding facilities of the Issuer, the working capital available to the Issuer as at the date of lodgment of this Offer Information Statement is sufficient to meet its present requirements.

### CapitaMalls Asia and the Group

In the reasonable opinion of the directors of CapitaMalls Asia, after taking into consideration the various existing funding facilities of the Group, the working capital available to the Group as at the date of lodgment of this Offer Information Statement is sufficient to meet its present requirements.

8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity’s financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide —**
  - (a) **a statement of that fact;**
  - (b) **details of the credit arrangement or bank loan; and**
  - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

### The Issuer

To the best of the knowledge of the directors of the Issuer, the Issuer is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Issuer’s financial position and results or business operations, or the investments by holders of securities in the Issuer.

### CapitaMalls Asia and the Group

To the best of the knowledge of the directors of CapitaMalls Asia, none of the members of the Group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group’s financial position and results or business operations, or the investments by holders of securities in CapitaMalls Asia.

## **Trend Information and Profit Forecast or Profit Estimate**

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

### **The Issuer**

Please see paragraph 9(b) of Part IV “Key Information — Information on the Relevant Entity” of this Sixteenth Schedule section and paragraph 1 of Part V “Operating and Financial Review and Prospects — Operating Results” of this Sixteenth Schedule section.

The Issuer provides, and as at the date of this Offer Information Statement, the directors of the Issuer expect that the Issuer will continue to provide, financial and treasury services to the Group.

Save as disclosed in this Offer Information Statement, the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Issuer in respect of the current financial year.

### **CapitaMalls Asia and the Group**

**Commentary on the significant trends and the competitive conditions of the industry in which the group operates in and any known factors or events that may affect the group in the next reporting period and the next 12 months**

#### **Singapore**

According to the Ministry of Trade and Industry (“**MTI**”) in November 2011, Singapore’s economy is expected to grow by around 5.0 per cent. in 2011 and 1.0-3.0 per cent. in 2012. In the next couple of months, growth will likely to be weighed down by the softening global economic conditions. Retail sales continued to grow albeit at a slower rate of 3.1% year-on-year in September 2011 based on the Retail Sales Index (excluding motor vehicle sales) released by the Singapore Department of Statistics. Despite the increasingly challenging operating environment, CapitaMalls Asia is well-positioned with its portfolio comprising quality shopping malls which are well-connected to public transportation systems and are strategically located either in areas with large population catchment or within Singapore’s popular shopping and tourist destinations. In view of the growth potential of the market, CapitaMalls Asia will strive to pursue selective development opportunities.

#### **China**

In its September 2011 World Economic Outlook report, the International Monetary Fund (“**IMF**”) projected China’s economic growth to remain robust at 9.5 per cent. for 2011 and 9.0 per cent. in 2012. The slightly lower projected growth in 2012 was a reflection of policy tightening and declining external demand. Nonetheless, China’s growth will continue to outpace other economies.

Retail sales of consumer goods in China remained healthy, with retail sales growth of 17.3 per cent. year-on-year in November 2011 (Source: National Bureau of Statistics of China). Both international and domestic retailers continue to expand in China. Prime retail rents continue to grow in cities such as Beijing and Shanghai (Source: CB Richard Ellis).

CapitaMalls Asia remains confident of its growth prospects in China. It had opened three new malls in 2011 and will target to open seven malls in 2012. China's underlying economic fundamentals remain strong, and credit tightening policies by the government provide more acquisition opportunities for CapitaMalls Asia. With its extensive presence in China, CapitaMalls Asia is well positioned to capture the opportunities provided by the growth in Chinese consumption.

## **Malaysia**

The Malaysian retail market performed commendably during the third quarter of this year whereby private consumption grew by 7.3 per cent. with a surprisingly high economic growth of 5.8 per cent. (Source: Bank Negara Malaysia Quarterly Bulletin, Third Quarter 2011) following a weaker external environment in the advanced economies. Retail sales growth is expected to be driven by GDP growth, low unemployment rate, rising disposable income and growing tourism in Malaysia. CapitaMalls Asia is well positioned to benefit from this spending trend as its malls are essentially focusing on necessity and day-to-day shopping which will bode well with the current economic environment in Malaysia.

## **Japan**

The Japan's economy has been gradually improving since the earthquake in March 2011. Latest GDP growth figures released by the Japanese Government forecast FY2011 real GDP growth to be - 0.1 per cent., and the real GDP growth in FY2012 is projected to be 2.2 per cent. Real GDP grew by 1.5 per cent. in the third quarter of 2011 compared to the previous quarter, the first positive growth in four quarters, on the back of recovering supply chain market, production and consumption. However, the Yen's sharp appreciation and a slowdown of the global economy may have some impact over the economic recovery.

CapitaMalls Asia will continue to focus on improving the performance of the assets in Japan.

## **India**

India's economy grew 6.9 per cent. in the three months from July to September 2011, compared with the same period of 2010 (Source: Ministry of Statistics and Programme Implementation). It was India's weakest growth in more than two years. The slowdown was attributed to the high local borrowing cost and a deepening euro crisis. The Reserve Bank of India ("RBI") has raised interest rates 13 times since March 2010 in a bid to control inflation, which has topped approximately 9.0 per cent. for nearly a year. For the month ended October 2011, general inflation stood at 9.73 per cent. However, as per the latest RBI forecast, inflation is expected to ease to approximately 7.0 per cent. by the end of March 2012, prompting the RBI to signal that it may consider reversing its tight monetary stance as inflationary woes begin to ebb (Source: Reuters).

In India, CapitaMalls Asia has a first-mover advantage relative to domestic and foreign real estate companies focusing on shopping malls, given its portfolio of nine projects. CapitaMalls Asia India's primary focus in the coming months is to complete the leasing of The Celebration Mall, Udaipur and to advance the construction of the remaining projects under development.

## **Business Outlook and Prospects**

Growth momentum seems to have stalled in United States and Eurozone as the debt crisis drags on. Asian economies are still growing, albeit at a slower pace, with China being the main growth engine. Where opportunities arise, CapitaMalls Asia will continue to strengthen its presence in the region. CapitaMalls Asia has also recently announced the successful joint tender by the subsidiaries of CapitaLand, CapitaMalls Asia and Singbridge for the Chao Tian Men Site and its maiden project in Suzhou to develop the largest shopping mall in the city. It had also announced that it will increase its stakes in Minhang Plaza and Hongkou Plaza in Shanghai.

MTI, the Singapore Department of Statistics, the IMF, the National Bureau of Statistics of China, CB Richard Ellis, Bank Negara Malaysia, the Ministry of Statistics and Programme Implementation and RBI have not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Information Statement and are therefore not liable for such information under Section 253 and 254 of the SFA. While the Issuer and the Guarantor have taken reasonable actions, and the Lead Manager has made reasonable enquiries, to ensure that the relevant information from MTI, the Singapore Department of Statistics, the IMF, the National Bureau of Statistics of China, CB Richard Ellis, Bank Negara Malaysia, the Ministry of Statistics and Programme Implementation and RBI have been reproduced in its proper form and context, none of the Issuer, the Guarantor and the Lead Manager or any other party has conducted an independent review of the information contained in these reports or verified the accuracy of the contents of the relevant information.

Save as disclosed in this Offer Information Statement, the Group is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to not be necessarily indicative of future operating results of financial conditions of the Group in respect of the current financial year.

- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

No profit forecast is disclosed in this Offer Information Statement.

- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

No profit forecast is disclosed in this Offer Information Statement.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

### **Significant Changes**

15. Disclose any event that has occurred from the end of —
- (a) the most recent completed financial year for which financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

## The Issuer

Save as disclosed in this Offer Information Statement, there is no event that has occurred from 31 December 2010 to the Latest Practicable Date which may have a material effect on the Issuer's financial position and results.

## CapitaMalls Asia and the Group

Save as disclosed in this Offer Information Statement, there is no event that has occurred from 30 September 2011 to the Latest Practicable Date which may have a material effect on the Group's financial position and results.

### Meaning of "published"

16. **In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.**

Noted.

## PART VI — THE OFFER AND LISTING

### Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price of the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). Payment by subscribers for the Public Offer Bonds under the Public Offer is to be made in full upon application while payment by subscribers for the Placement Bonds under the Placement is to be made in full on or about the Issue Date unless otherwise agreed by the Issuer and the Lead Manager.

The expenses incurred in the Offer will not be specifically charged to subscribers for the Bonds.

For each Electronic Application made through the ATMs of DBS Bank (including POSB) and the UOB Group, a non-refundable administrative fee of S\$2 will be incurred at the point of application.

For each Electronic Application made through the ATMs of OCBC Bank, a non-refundable administrative fee of S\$1 will be incurred at the point of application.

For each Internet Electronic Application made through the IB websites of DBS Bank and UOB Group, a non-refundable administration fee of S\$2 will be incurred at the point of application.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

The Issue Price of the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds) and the Bonds will bear interest at a rate of 3.80 per cent. per annum, with a step-up feature where the interest payable on the Bonds is increased from 12

January 2017, which has been agreed between the Issuer and the Lead Manager pursuant to the Management and Placement Agreement taking into account, amongst others, the prevailing market and interest rate conditions.

**3. If —**

- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

**indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

Not applicable.

**4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange —**

- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities —**
  - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
  - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**

Not applicable.

- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities —**
  - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
  - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

Not applicable.

- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and**

Not applicable.

- (d) **disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.**

Not applicable.

5. **Where the securities being offered are not identical to the securities already issued by the relevant entity, provide —**

- (a) **a statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

Please refer to the section entitled “Summary of the Offer and the Bonds”, and the section entitled “Terms and Conditions of the Bonds” of this Offer Information Statement.

The Bonds constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

Under Condition 14 of the Terms and Conditions, the Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds 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 Bonds or upon such terms as the Issuer may determine at the time of their issue. Any further issues will be subject to the approval of the board of directors of the Issuer.

#### **Plan of Distribution**

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

The Issuer will offer and issue up to S\$200 million in aggregate principal amount of Initial Bonds comprising:

- (A) up to S\$100 million in aggregate principal amount of callable step-up bonds due 2022 at the issue price of 100 per cent. to the public in Singapore through Electronic Applications; and
- (B) up to S\$100 million in aggregate principal amount of callable step-up bonds due 2022 at the issue price of 100 per cent. to institutional and other investors,

PROVIDED THAT (I) in the event of oversubscription, the Issuer shall have the right, in consultation with the Lead Manager, to issue the Optional Bonds, being up to an additional S\$200 million in aggregate principal amount of callable step-up bonds due 2022, at the issue price of 100 per cent. to satisfy the excess demand, which shall be allocated to the Public Offer and/or the Placement in such manner as the Lead Manager, in consultation with the Issuer and the Guarantor, deems fit and (II) the aggregate principal amount of Bonds to be issued shall not exceed S\$400 million.

The actual aggregate principal amount of Bonds to be allocated between the Public Offer and the Placement will be finalised on or prior to the Issue Date.

Upon the listing of and quotation for the Bonds on the Main Board of the SGX-ST, the Bonds will be traded on the Main Board of the SGX-ST under the book-entry scripless settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Bonds will comprise S\$1,000 in principal amount of Bonds.

**7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

There are no underwriting arrangements in respect of the offer of the Bonds.

## **PART VII — ADDITIONAL INFORMATION**

### **Statements by Experts**

**1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable as the statement attributed to the expert is a statement to which the exemption under Regulation 26(2) of the SFR applies.

**2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —**

**(a) state the date on which the statement was made;**

**(b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**

**(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable as the statement attributed to the expert is a statement to which the exemption under Regulation 26(2) of the SFR applies.

**3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Noted.

## Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

DBS Bank has given, and has not, before the lodgment of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as the sole bookrunner and lead manager of the Offer.

The Lead Manager acknowledges, having made all reasonable enquiries, that to the best of its knowledge and belief, the facts stated in this Offer Information Statement are accurate in all material respects as at the date of this Offer Information Statement, and that it is not aware of any other material facts, the omission of which would make statements in this Offer Information Statement misleading in any material respect. In making such reasonable enquiries, the Lead Manager has placed reasonable reliance on the information given to it by the directors, representatives and management of the Issuer and the Guarantor. Where information has been extracted or reproduced from published or otherwise publicly available sources, the Lead Manager confirms that, to the best of its information and belief, reasonable enquiries have been made that such information is accurately extracted from such sources and reflected, or as the case may be, reproduced in its proper form and context in this Offer Information Statement.

## Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —**
  - (a) **the relevant entity's business operations or financial position or results; or**
  - (b) **investments by holders of securities in the relevant entity.**

### The Issuer

Save as disclosed in this Offer Information Statement, the directors of the Issuer are not aware of any other matter which could materially affect, directly or indirectly, the Issuer's business operations, financial position or results or investments by holders of securities in the Issuer.

### CapitaMalls Asia

Save as disclosed in this Offer Information Statement, the directors of CapitaMalls Asia are not aware of any other matter which could materially affect, directly or indirectly, the Group's business operations, financial position or results or investments by holders of securities in CapitaMalls Asia.

## **PART VIII — ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES**

### **Guarantor Entity, Advisers and Agents**

1. **Provide the names and addresses of —**
  - (a) **the arranger of the offer, if any; and**
  - (b) **the paying agent of the relevant entity.**

Please refer to Part II "Identity of Directors, Advisers and Agents" of this Sixteenth Schedule section.

**2. In the case of a guaranteed debenture issue, provide —**

- (a) the name and address of the guarantor entity; and**
- (b) the names and addresses of each of the directors or equivalent persons of the guarantor entity.**

Please refer to Part II “Identity of Directors, Advisers and Agents — Directors” and Part IV “Key Information — Information on the Relevant Entity” of this Sixteenth Schedule section.

**3. Provide the name and address of the trustee, fiscal agent, or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative.**

The names and addresses of the Trustee, the Registrar and the Paying Agent are set out in Part II “Identity of Directors, Advisers and Agents — Registrars and Agents” of this Sixteenth Schedule section.

**Trust Deed**

The Bonds will be constituted by the Trust Deed to be entered into between the Issuer, the Guarantor and The Trust Company (Asia) Limited as trustee of the Bondholders. The Trustee has agreed to act as trustee of the Trust Deed for the benefit of the Bondholders on the terms and subject to the conditions contained in the Trust Deed. The rights and interests of the Bondholders will be contained in the Trust Deed. The Trust Deed will provide for the Trustee to take action on behalf of the Bondholders in certain circumstances, subject to the Trustee being indemnified to its satisfaction. In particular, the Trustee at its discretion may, and if so requested by the holders of at least 25 per cent. in nominal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject in each case to it being indemnified and/or secured to its satisfaction), give notice to the Issuer that the Bonds are immediately due and payable following the occurrence of an Event of Default (as defined in the Terms and Conditions) under the Bonds. Further, the Trustee will be entitled under the Trust Deed to act on the opinion or advice of, or information obtained from, any expert and will not be responsible for any loss occasioned by so acting.

The Trust Deed will also provide that the Trustee need not do anything to find out if an Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer is performing all its obligations contained under the Trust Deed and the Bonds.

The other functions, rights and obligations of the Trustee will be set out in the Trust Deed.

**Agency Agreement**

The administrative matters relating to the Bonds are addressed in the Agency Agreement.

DBS Bank will be appointed as the Registrar and the Paying Agent in respect of the Bonds in accordance with the terms and conditions of the Agency Agreement.

The Registrar will maintain a register for the Bonds in accordance with the terms and conditions of the Agency Agreement.

The Paying Agent will, in accordance with the Agency Agreement and the Terms and Conditions, pay or cause to be paid on behalf of the Issuer on and after each due date for payment the amounts due in respect of the Bonds. The Paying Agent shall also arrange on behalf of and at the request and expense of the Issuer for notices to be given to the Bondholders in accordance with

the Terms and Conditions. The functions, rights and obligations of the Registrar and the Paying Agent will be set out in the Agency Agreement.

### **Master Depository Services Agreement and Deed of Covenant**

CDP will be appointed to act as depository for the Bonds on the terms and conditions of the Master Depository Services Agreement and the Deed of Covenant. So long as the Bonds are held by or on behalf of CDP, transactions in the Bonds can only be cleared and settled on a book-entry basis through the computerised system operated by CDP.

The terms and conditions of the Bonds are set out in the section entitled “Terms and Conditions of the Bonds” of this Offer Information Statement. Copies of the Trust Deed, the Agency Agreement, the Master Depository Services Agreement and the Deed of Covenant will be available for inspection during normal business hours at the principal office of the Trustee at 16 Collyer Quay #26-02, Hitachi Tower, Singapore 049318 and during normal business hours (with prior appointment) at the specified office of the Paying Agent at 60 Alexandra Terrace, The Comtech #05-27, Singapore 118502, from the Issue Date up to and including the date falling six months after the date of this Offer Information Statement.

### **Offer Statistics**

#### **4. State —**

- (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;**
- (b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;**
- (c) where the debentures or units of debentures, as the case may be, are offered at a discount or premium, the face value of the debentures or units of debentures being offered and the discount or premium; and**
- (d) the currency of the issue and, if the issue is payable in any currency other than the currency of the issue, this fact.**

Please refer to the section entitled “Summary of the Offer and the Bonds”, paragraph 1 of Part III “Offer Statistics and Timetable — Offer Statistics” and paragraphs 1 and 2 of Part VI “The Offer and Listing — Offer and Listing Details” of this Sixteenth Schedule section. The Issue Price of each Bond is payable in Singapore dollars.

### **Principal Terms and Conditions**

#### **5. Provide the following information on the debentures or units of debentures, as the case may be, being offered:**

- (a) the yield, a summary of the method by which that yield is calculated, the issue and redemption prices, the nominal interest rate and —**
  - (i) if the nominal interest rate is a floating rate, how the rate is calculated; or**
  - (ii) if several or variable interest rates are provided for, the conditions for changes in the rate;**

- (b) the date from which interest accrues and the interest payment dates;**
- (c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;**
- (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures;**
- (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be including procedures to be adopted;**
- (f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;**
- (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption;**
- (h) the particulars of any security;**
- (i) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;**
- (j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or *pari passu* with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;**
- (k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be;**
- (l) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;**
- (m) definition of events constituting defaults and effect upon acceleration of maturity of the debentures or units of debentures, as the case may be; and**
- (n) provisions for modifications of terms and conditions of the debentures or units of debentures, as the case may be.**

Please refer to the section entitled “Summary of the Offer and the Bonds” and the section entitled “Terms and Conditions of the Bonds” of this Offer Information Statement.

In the event of a partial redemption of the Bonds, a *pro rata* portion of the outstanding principal amount of each Bond will be redeemed or in such other manner as the Issuer shall deem to confer equal treatment to all Bondholders (which includes but is not limited to the drawing of lots) and notified to Bondholders pursuant to Condition 15, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements and for so long as any of the Bonds is represented by the Global Certificate held by CDP, in the matter governed by the standard operating rules and procedures of CDP.

The notice of partial redemption to Bondholders shall specify the manner in which the Bonds shall be partially redeemed, the portion of the outstanding principal amount of each Bond to be redeemed and any further applicable procedures relating to the partial redemption.

### **Credit Rating**

6. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant entity, its guarantor entity or any of their related parties had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

Not applicable. The Bonds, the Issuer and the Guarantor are not rated by any credit rating agency.

### **Secured Debentures**

7. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form —
- (a) the aggregate value of the tangible assets owned by the relevant entity;
  - (b) the aggregate value of the tangible assets owned by each, or jointly owned by two or more, of its guarantor entities; and
  - (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

Not applicable. The Bonds are unsecured.

8. Show also, in the summary —
- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment *pari passu* with the amount under the proposed issue;
  - (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
  - (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.

Not applicable. The Bonds are unsecured.

9. **The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.**

Not applicable. The Bonds are unsecured.

10. **Where the tangible assets referred to in paragraph 7 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgment of the offer information statement by an independent qualified valuer.**

Not applicable. The Bonds are unsecured.

#### **PART IX — ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

Not applicable.

#### **PART X — ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE**

Not applicable.

## CERTAIN FINANCIAL INFORMATION RELATING TO THE GROUP

Selected financial data from the audited income statements of the Group for FY2008, FY2009 and FY2010 have been extracted and set out in Appendix B of this Offer Information Statement and selected financial data from the audited balance sheets of the Group as at 31 December 2008, 31 December 2009 and 31 December 2010 and statements of cashflows of the Group for FY2008, FY2009 and FY2010 have been set out in Appendices C and D respectively of this Offer Information Statement. Selected financial data of the Group for the nine months ended 30 September 2011 has been set out in Appendix E.

Selected financial data from the audited income statement of the Issuer for the financial year ended 31 December 2010, selected financial data from the audited balance sheet of the Issuer as at 31 December 2010 and selected financial data from the audited statement of cash flows of the Issuer for the financial year ended 31 December 2010 have been set out in Appendices F, G and H respectively of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes, which are available on the website of CapitaMalls Asia at <http://www.capitamallsasia.com>. A copy of the annual report for FY2010 is also available on the website of CapitaMalls Asia.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2010, except for the adoption of accounting standards (including consequential amendments) and interpretations applicable for the financial period beginning 1 January 2011.

Among the changes to FRS are INT FRS 115 *Agreement for the Construction of Real Estate* and FRS 24 *Related Party Disclosures* which became effective from 1 January 2011.

INT FRS 115 *Agreement for the Construction of Real Estate* clarifies when revenue and related expenses from a sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Contracts which are not classified as construction contracts in accordance with FRS 11 can only be accounted for under the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

Prior to the adoption of INT FRS 115, the Group's accounting policy for all residential property sales was to recognise revenue on percentage of completion method which is an allowed alternative method under Recommended Accounting Practice 11 — Pre-Completion Contracts For The Sale Of Development Property ("**RAP 11**"). RAP 11 has been withdrawn with effect from 1 January 2011 following the adoption of INT FRS 115.

The Group has considered the application of INT FRS 115 and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore, and concluded that whilst the "pre-completion" sale contracts were not, in substance, construction contracts, the legal terms in certain contracts results in the continuous transfer of work-in-progress to the purchaser. Consequently, the Group will continue to adopt the percentage of completion method of revenue recognition for residential projects under the progressive payment scheme in Singapore. For the residential projects under the deferred payment scheme in Singapore and overseas residential projects, the construction revenue and expenses will be recognised on the transfer of significant risks and rewards of ownership of properties to customers.

The Group's adjustment relates to the share of results from The Orchard Residences which was completed in the fourth quarter of FY2010. In applying INT FRS 115, no profit was to be recognised for

units sold under the deferred payment scheme until completion in the fourth quarter of 2010. While there are adjustments to profits to reflect the application of INT FRS 115 on a quarter to quarter basis in 2010, there will be no difference to the revenue reserve as at 31 December 2010 between what was previously reported and the restated numbers arising from INT FRS 115 application.

Arising from this change in the financial reporting standard as regards INT FRS 115, the PATMI for full year 2010 would have to be restated to S\$541.3 million from the previously reported full year 2010 PATMI of S\$421.9 million. The restated PATMI of S\$541.3 million includes the progressive profit recognition of S\$119.4 million for the units sold under the deferred payment scheme which was recognised in 2009 but would now have to be recognised in the fourth quarter of FY2010 when the temporary occupation permit for The Orchard Residences was obtained.

In addition, the comparative income statement for the third quarter of FY2010 and as at 30 September 2010 had been restated to take into account the reclassification of tax payable on distribution received from an associated company to income tax expense to conform to the current period's presentation.

Revised FRS 24 modifies the definition of a related party and simplifies disclosures for government-related entities. The Group does not expect any impact on its financial position or performance arising from the adoption of this revised standard, however, disclosures regarding related party transactions and balances may be affected when this revised standard is applied to the Group's financial statements for the year ending 31 December 2011.

**LIST OF THE PRINCIPAL ACTIVITIES OF THE SUBSIDIARIES OF  
THE GROUP AND THEIR PLACES OF INCORPORATION AND BUSINESS**

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			30 September 2011 (%)	31 December 2010 (%)
Albert Complex Pte. Ltd.	Investment holding	Singapore	100	100
Capita Card Pte. Ltd.	Provision of Co-Brand cards	Singapore	100	100
CapitaLand Retail (BJ) Investments Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail (BJ1) Holdings Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail BJ1 (M) Limited	Investment holding	Mauritius	100	100
CapitaLand Retail (MY) Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail (SI) Investments Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail China Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail Hong Kong Investments Pte. Limited	Investment holding	Singapore	100	100
CapitaLand Retail Hong Kong Investments Two (BV) Limited	Investment holding	British Virgin Islands	100	100
CapitaLand Retail India Investments Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail India Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail Investments (SY) Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail Japan Investments Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail Management Kabushiki Kaisha	Property management	Japan	100	100
CapitaLand Retail Management Pte. Ltd.	Property management	Singapore	100	100
CapitaLand Retail Project Management Pte. Limited	Project management	Singapore	100	100

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			30 September 2011 (%)	31 December 2010 (%)
CapitaLand Retail Property Management India Private Limited	Property management	India	100	100
CapitaLand Retail Singapore Investments Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand Retail Singapore Investments Two Pte. Ltd.	Investment holding	Singapore	100	100
CapitaLand SZITIC (Shenzhen) Property Management Co., Ltd.	Property management	The People's Republic of China	—	51
CapitaLand Retail (Beijing) Facilities & Projects Consulting Co., Ltd	Property management	The People's Republic of China	100	100
CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd.	Property management	The People's Republic of China	100	100
CapitaLand Retail RECM Pte. Ltd.	Investment holding	Singapore	100	100
CapitaRetail China Investments Pte. Ltd.	Investment holding	Singapore	100	100
CapitaRetail Gurney Sdn. Bhd.	Property investment (Dormant)	Malaysia	100	100
CapitaMalls Chongqing Investment Co., Ltd.	Property investment	The People's Republic of China	73	73
Clarke Quay Pte. Ltd.	Property investment (Dormant)	Singapore	100	100
CapitaMalls Foshan City Nanhai Commercial Property Co., Ltd.	Property investment	The People's Republic of China	73	73
Gain 888 Investments Pte. Ltd.	Investment holding	Singapore	100	100
CapitaMalls Hunan Commercial Property Co., Ltd.	Property investment	The People's Republic of China	73	73
Kaimao (Beijing) Investment & Consulting Co., Ltd.	Property management	The People's Republic of China	—	100

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			30 September 2011 (%)	31 December 2010 (%)
CapitaMalls Maoming City Commercial Property Co., Ltd.	Property investment	The People's Republic of China	73	73
Mutual Streams Sdn. Bhd.	Property investment (Dormant)	Malaysia	100	100
One Trust	Property investment	Singapore	100	100
Plaza Singapura (Private) Limited	Investment holding (Dormant)	Singapore	100	100
Premier Healthcare Services International Pte Ltd	Investment holding	Singapore	100	100
Pronto Investment One Pte. Ltd.	Investment holding	Singapore	100	100
Pyramex Investments Pte Ltd	Investment holding	Singapore	100	100
Retail Crown Pte. Ltd.	Investment holding	Singapore	100	100
Retail Galaxy Pte. Ltd.	Investment holding	Singapore	100	100
Vast Winners Sdn. Bhd.	Property investment (Dormant)	Malaysia	100	100
CapitaMalls Zhangzhou Commercial Property Co., Ltd.	Property investment	The People's Republic of China	73	73
CapitaMall Trust Management Limited	REIT management	Singapore	100	100
CapitaMalls Japan Fund Management Pte. Ltd. (formerly CapitaRetail Japan Fund Management Private Limited)	Fund management	Singapore	100	100
CapitaRetail Singapore Management Pte. Ltd.	Investment and fund management (Dormant)	Singapore	100	100
CapitaMalls China Fund Management Pte. Ltd. (formerly CapitaRetail China Fund Management Pte. Ltd.)	Fund management	Singapore	100	100

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			30 September 2011 (%)	31 December 2010 (%)
CapitaRetail China Trust Management Limited	REIT management	Singapore	100	100
CapitaLand Retail Trustee Pte. Ltd.	Investment holding	Singapore	100	100
Retail RECM (BVI) Limited	Investment holding	British Virgin Islands	100	100
One Trustee Pte. Ltd.	Investment holding	Singapore	100	100
CapitaMalls India Fund Management Pte. Ltd. (formerly CapitaRetail India Fund Management Pte. Ltd.)	Fund management	Singapore	100	100
CapitaMalls Malaysia REIT Management Sdn. Bhd.	REIT management	Malaysia	70	70
CapitaRetail (Beijing) Investment Consulting Co., Ltd.	Management consultancy	The People's Republic of China	100	100
Victoria City Pte. Ltd.	Investment holding	Singapore	100	100
CMA RCCF Investment (BVI) Limited	Investment holding	British Virgin Islands	100	100
CapitaLand Retail Malaysia Sdn. Bhd.	Project management	Malaysia	100	100
Luxury Ace Sdn. Bhd.	Investment holding	Malaysia	100	100
CapitaMalls Asia Treasury Limited	Provision of financial and treasury services	Singapore	100	100
Menang Investment Limited	Investment holding	British Virgin Islands	100	100
CMMT Investment Limited	Investment holding	Malaysia	100	100
Brilliance Trustee Pte. Ltd.	Trust services	Singapore	100	100
CMA Singapore Investments (3) Pte. Ltd.	Investment holding	Singapore	100	100
CMA Singapore Investments (4) Pte. Ltd.	Investment holding	Singapore	100	100
CMA Singapore Investments (5) Pte. Ltd.	Investment holding	Singapore	100	100
JG Trustee Pte. Ltd.	Trust services	Singapore	100	100
CMA China II Pte. Ltd.	Investment holding	Singapore	100	100

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			30 September 2011 (%)	31 December 2010 (%)
CMA China II (BVI) Holdings Limited	Investment holding	British Virgin Islands	100	100
Cressida Enterprises Limited	Investment holding	British Virgin Islands	100	100
Magic Bright Investments Limited	Investment holding	Hong Kong	100	100
Omnitrix Investment Pte. Ltd.	Investment holding	Singapore	100	100
CMA Japan Holdings Pte. Ltd.	Investment holding	Singapore	100	100
Success Idea Sdn. Bhd.	Property investment	Malaysia	100	100
Scenic Growth Sdn. Bhd.	Property investment	Malaysia	100	100
Special Coral Sdn. Bhd.	Property investment	Malaysia	100	100
Milky Way Properties Berhad	Property investment	Malaysia	100	100
Better Value Holdings Limited	Investment holding	British Virgin Islands	100	100
Exuberant Holdings Limited	Investment holding	British Virgin Islands	100	100
CapitaRetail China Developments D18 (HK) Limited	Investment holding	Hong Kong	100	100
Growing State Holdings Limited	Investment holding	Hong Kong	100	100
Rongyue Chengdu Real Estate Co., Ltd.	Real Estate Investment and management	The People's Republic of China	100	100
Chengdu Huayun Jiangnan Real Estate Development Co., Ltd.	Real Estate Investment and management	The People's Republic of China	100	100
CapitaMalls Beijing Business Co., Ltd.	Investment and consultancy services	The People's Republic of China	100	100
Jupiter Retail Pte. Ltd.	Investment holding	Singapore	100	—
JG2 Trustee Pte. Ltd. (formerly Jewel Trustee Pte. Ltd.)	Trust Services	Singapore	100	—
CMA Singapore Investments (6) Pte. Ltd.	Investment holding	Singapore	100	—

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			30 September 2011 (%)	31 December 2010 (%)
Abbey Road Limited	Investment holding	Cayman Islands	68.75	—
Sky Vision (Hong Kong) Limited	Investment holding	Hong Kong	68.75	—
Shanghai Yongwei Real Estate Co., Ltd	Property investment	The People's Republic of China	66	—
CMA Singapore I Pte. Ltd.	Investment holding	Singapore	100	—
Chisholme Limited	Investment holding	British Virgin Islands	100	—
Progressive Alliance Holdings Limited	Investment holding	British Virgin Islands	100	—
Navin Holdings Limited	Investment holding	British Virgin Islands	100	—
CMA China II Developments (HK1) Limited (formerly Big Earning Enterprises Limited)	Investment holding	Hong Kong	100	—
Fast Action Investments Limited	Investment holding	Hong Kong	100	—
Giant Castle Investments Limited	Investment holding	Hong Kong	100	—
CMA China III Pte. Ltd.	Investment holding	Singapore	100	—
Gold Achiever Limited	Investment holding	British Virgin Islands	100	—
Gold Conqueror Limited	Investment holding	British Virgin Islands	100	—
Gold Runner Limited	Investment holding	British Virgin Islands	100	—

**CONSOLIDATED INCOME STATEMENTS OF THE GROUP  
FOR FY2008, FY2009 AND FY2010**

	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue	245,402	228,946	205,210
Cost of Sales	(91,803)	(100,246)	(81,007)
<b>Gross Profit</b>	<b>153,599</b>	<b>128,700</b>	<b>124,203</b>
Other Operating Income	82,447	85,019	119,703
Administrative Expenses	(107,419)	(70,212)	(87,266)
Other Operating Expenses	(1,099)	(111,901)	(617)
Finance Costs	(25,603)	(111,430)	(158,296)
Share of Results (net of tax) of:			
— Associates	112,824	(46,705)	152,643
— Jointly-Controlled Entities	363,060	423,447	(2,998)
<b>Profit before Taxation</b>	<b>577,809</b>	<b>296,918</b>	<b>147,372</b>
Taxation	(28,871)	(22,693)	(29,307)
<b>Profit for the Year</b>	<b>548,938</b>	<b>274,225</b>	<b>118,065</b>
<b>Profit Attributable to:</b>			
Owners of the Company	541,337	268,665	115,562
Non-Controlling Interests	7,601	5,560	2,503
<b>Profit for the Year</b>	<b>548,938</b>	<b>274,225</b>	<b>118,065</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	13.9	13.9	34.9
Diluted earnings per share (cents)	13.9	13.9	34.9
	<b>Number of</b>	<b>Number of</b>	<b>Number of</b>
	<b>shares</b>	<b>shares</b>	<b>shares</b>
	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>('000)</b>	<b>('000)</b>	<b>('000)</b>
<b>Weighted average number of shares</b>			
Issued ordinary shares at 1 January	3,884,000	1,000,000	50,000
Effect of shares issued during the year	—	926,463	281,315
Weighted average number of shares at 31 December	3,884,000	1,926,463	331,315
<b>Weighted average number of ordinary shares (diluted)</b>			
Weighted average number of ordinary shares (basic)	3,884,000	1,926,463	331,315
Weighted average number of unissued ordinary shares from:			
Shares under Performance Share Plan	1,414	—	—
Shares under Restricted Stock Plan	3,466	—	—
Weighted average number of shares at 31 December	3,888,880	1,926,463	331,315

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP  
FOR FY2008, FY2009 AND FY2010**

	2010 \$'000	2009 \$'000	2008 \$'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Plant and Equipment	13,197	14,686	16,396
Investment Properties	304,429	1,378,567	1,390,146
Properties Under Development	288,848	127,666	171,250
Associates	3,119,729	2,999,393	2,746,561
Jointly-Controlled Entities	1,043,656	675,398	241,604
Other Investments	378,653	200,028	113,071
Deferred Tax Assets	203	203	203
Other Assets	16,869	730	1,338
	<u>5,165,584</u>	<u>5,396,671</u>	<u>4,680,569</u>
<b>Current Assets</b>			
Trade and Other Receivables	498,281	436,013	306,672
Cash and Cash Equivalents	1,318,312	544,306	138,060
	<u>1,816,593</u>	<u>980,319</u>	<u>444,732</u>
<b>Total Assets</b>	<u>6,982,177</u>	<u>6,376,990</u>	<u>5,125,301</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Owners of the Company</b>			
Share Capital	4,605,000	4,605,000	1,000,000
Revenue Reserves	1,305,098	803,216	509,897
Other Reserves	(81,579)	(68,175)	23,023
	<u>5,828,519</u>	<u>5,340,041</u>	<u>1,532,920</u>
<b>Non-Controlling Interests</b>	59,711	53,413	52,081
<b>Total Equity</b>	<u>5,888,230</u>	<u>5,393,454</u>	<u>1,585,001</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Loans and Borrowings	687,692	430,738	1,648,152
Deferred Tax Liabilities	33,121	30,065	25,026
Other Non-Current Liabilities	7,376	23,845	26,250
	<u>728,189</u>	<u>484,648</u>	<u>1,699,428</u>
<b>Current Liabilities</b>			
Trade and Other Payables	295,396	377,622	453,733
Loans and Borrowings	12,260	72,155	1,354,915
Current Tax Payable	58,102	49,111	32,224
	<u>365,758</u>	<u>498,888</u>	<u>1,840,872</u>
<b>Total Liabilities</b>	<u>1,093,947</u>	<u>983,536</u>	<u>3,540,300</u>
<b>Total Equity and Liabilities</b>	<u>6,982,177</u>	<u>6,376,990</u>	<u>5,125,301</u>
<b>Net Current Assets/(Liabilities)</b>	<u>1,450,835</u>	<u>481,431</u>	<u>(1,396,140)</u>
<b>Total Assets Less Current Liabilities</b>	<u>6,616,419</u>	<u>5,878,102</u>	<u>3,284,429</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE GROUP  
FOR FY2008, FY2009 AND FY2010**

	2010 \$'000	2009 \$'000	2008 \$'000
<b>Operating Activities</b>			
Profit after taxation	548,938	274,225	118,065
Adjustments for:			
Depreciation of plant and equipment	7,206	6,079	4,754
Loss on disposal/write off of plant and equipment	618	77	133
Gain on disposal of subsidiaries and associates	(2,524)	—	(135)
Gain on disposal of available-for-sale investments	—	(52,806)	(14,461)
Gain on disposal of investment properties	(10,365)	—	—
Share of results of associates and jointly-controlled entities	(475,884)	(376,742)	(149,645)
Realisation of deferred income	—	—	(18,618)
Changes in fair value of investment properties and properties under development	(37,375)	98,970	(50,196)
Share-based payment expenses	8,997	5,245	5,530
Management fees received in units	(12,376)	—	—
Dividend income	—	(3,674)	(9,861)
Interest income	(26,037)	(25,367)	(13,099)
Interest expense	25,603	111,430	158,296
Taxation	28,871	22,693	29,307
	55,672	60,130	60,070
Changes in working capital:			
Trade and other receivables	55,133	(8,593)	(7,209)
Trade and other payables (including security deposits)	(35,968)	57,515	7,187
Cash generated from operations	74,837	109,052	60,048
Income tax paid	(19,646)	(6,637)	(4,913)
<b>Net Cash Flows from Operating Activities</b>	55,191	102,415	55,135

	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Investing Activities</b>			
Proceeds from disposal of plant and equipment	1,287	88	298
Purchase of plant and equipment	(7,711)	(5,026)	(8,894)
Investment in associates and jointly-controlled entities	(14,020)	(379,821)	(372,857)
Investment in available-for-sale investments	(31,717)	(190,146)	—
Additions to investment properties and properties under development	(76,676)	(83,553)	(289,244)
Proceeds from divestment of fund management units	9,166	—	—
Deposits and prepayments to acquire investment properties and properties under development	(83,777)	—	—
Proceeds from disposal of investment properties	905,494	—	—
(Acquisition)/Disposal of subsidiaries, net of cash disposed/acquired	(74,421)	(13,477)	12,324
Proceeds from disposal of available-for-sale investments	—	140,640	60,486
Interest income received	5,246	5,871	2,346
Dividends received from investee company	—	8,948	9,183
Dividends received from associates and jointly-controlled entities	98,987	86,653	71,486
Proceeds of loans and advances (to)/from associates and jointly-controlled entities	(110,145)	(207,024)	(137,719)
Advances and loans from investee companies	—	123	—
<b>Net Cash Flows From/(Used in) Investing Activities</b>	<b>621,713</b>	<b>(636,724)</b>	<b>(652,591)</b>
<b>Financing Activities</b>			
Repayment of loan to former non-controlling interests	(20,121)	—	—
Contributions from non-controlling interests	126	—	—
Loans from holding company	—	—	12,000
(Repayment of loans to)/loan advances from non-controlling interests	(124)	(72,099)	38,250
Loans from related corporations	—	846,486	562,427
Proceeds from bank loans	250,000	391,573	38,677
Repayment of bank loans	(356,210)	(5,452)	—
Proceeds from issue of debt securities	350,000	—	103,367
Repayment of debt securities	(64,438)	(103,810)	(10,431)
Refund/(payment) of deposits pledged	1,164	(844)	103,052
Interest expense paid	(21,679)	(115,252)	(174,930)
Dividends paid	(38,840)	—	(59,000)
<b>Net Cash Flows from Financing Activities</b>	<b>99,878</b>	<b>940,602</b>	<b>613,412</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>776,782</b>	<b>406,293</b>	<b>15,956</b>
Effect of exchange rate changes on cash balances held in foreign currencies	(1,612)	(890)	117
Cash and cash equivalents at beginning of year	543,142	137,739	121,666
<b>Cash and Cash Equivalents at End of Year</b>	<b>1,318,312</b>	<b>543,142</b>	<b>137,739</b>
Deposits pledged at end of year	—	1,164	321
<b>Cash and Cash Equivalents in the Statements of Financial Position</b>	<b>1,318,312</b>	<b>544,306</b>	<b>138,060</b>

**THE CONSOLIDATED 2011 THIRD QUARTER  
FINANCIAL STATEMENTS ANNOUNCEMENT OF THE GROUP**

**CapitaMalls Asia Limited and its subsidiaries  
Consolidated Income Statements**

Nine-month period ended 30 September 2011 and 30 September 2010

	YTD September 2011 S\$'000	YTD September 2010 S\$'000 (restated)
Revenue	179,912	190,162
Cost of Sales	(65,954)	(69,902)
<b>Gross Profit</b>	113,958	120,260
Other Operating Income	89,128	54,637
Administrative Expenses	(94,069)	(74,785)
Other Operating Expenses	(6,808)	(222)
Finance Costs	(24,336)	(19,260)
Share of Results (net of tax) of:		
— Associates	138,773	25,978
— Jointly-Controlled Entities	83,740	113,976
<b>Profit before Taxation</b>	300,386	220,584
Taxation	(33,434)	(19,162)
<b>Profit for the Period</b>	266,952	201,422
<b>Profit Attributable to:</b>		
Owners of the Company	250,560	199,294
Non-Controlling Interests	16,392	2,128
<b>Profit for the Period</b>	266,952	201,422
<b>Earnings per share</b>		
Basic earnings per share (cents)	6.4	5.1
Diluted earnings per share (cents)	6.4	5.1
	<b>Number of shares September 2011 ( '000)</b>	<b>Number of shares September 2010 ( '000)</b>
<b>Weighted average number of shares</b>		
Issued ordinary shares at 1 January	3,884,000	3,884,000
Effect of shares issued during the period	848	—
Weighted average number of shares at 30 September	3,884,848	3,884,000
<b>Weighted average number of ordinary shares (diluted)</b>		
Weighted average number of ordinary shares (basic)	3,884,848	3,884,000
Weighted average number of unissued ordinary shares from:		
Shares under Performance Share Plan	3,158	1,303
Shares under Restricted Stock Plan	6,042	3,348
Weighted average number of shares at 30 September	3,894,048	3,888,651

**CapitaMalls Asia Limited and its subsidiaries**  
**Consolidated Statements of Financial Position**  
**As at 30 September 2011 and 31 December 2010**

	<b>30/09/2011</b>	<b>31/12/2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and Equipment	14,121	13,197
Investment Properties	577,257	304,429
Properties Under Development	834,488	288,848
Associates	3,257,296	3,119,729
Jointly-Controlled Entities	1,304,978	1,043,656
Other Investments	385,651	378,653
Deferred Tax Assets	—	203
Other Assets	55,872	16,869
	<hr/> 6,429,663	<hr/> 5,165,584
<b>Current Assets</b>		
Development Properties for Sale	9,800	—
Trade and Other Receivables	231,504	498,281
Cash and Cash Equivalents	625,674	1,318,312
	<hr/> 866,978	<hr/> 1,816,593
<b>Total Assets</b>	<hr/> <b>7,296,641</b>	<hr/> <b>6,982,177</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share Capital	4,607,514	4,605,000
Revenue Reserves	1,419,400	1,305,098
Other Reserves	(185,128)	(81,579)
	<hr/> 5,841,786	<hr/> 5,828,519
<b>Non-Controlling Interests</b>	212,549	59,711
<b>Total Equity</b>	<hr/> <b>6,054,335</b>	<hr/> <b>5,888,230</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Loans and Borrowings	730,183	687,692
Deferred Tax Liabilities	44,651	33,121
Other Non-Current Liabilities	13,385	7,376
	<hr/> 788,219	<hr/> 728,189
<b>Current Liabilities</b>		
Trade and Other Payables	166,827	295,396
Loans and Borrowings	237,744	12,260
Current Tax Payable	49,516	58,102
	<hr/> 454,087	<hr/> 365,758
<b>Total Liabilities</b>	<hr/> <b>1,242,306</b>	<hr/> <b>1,093,947</b>
<b>Total Equity and Liabilities</b>	<hr/> <b>7,296,641</b>	<hr/> <b>6,982,177</b>
<b>Net Current Assets</b>	<hr/> <b>412,891</b>	<hr/> <b>1,450,835</b>
<b>Total Assets Less Current Liabilities</b>	<hr/> <b>6,842,554</b>	<hr/> <b>6,616,419</b>

**CapitaMalls Asia Limited and its subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Nine-month period ended 30 September 2011 and 30 September 2010**

	YTD September 2011 S\$'000	YTD September 2010 S\$'000 (restated)
<b>Operating Activities</b>		
Profit after taxation	266,952	201,422
Adjustments for:		
Depreciation of plant and equipment	4,917	5,006
Loss on disposal/Write off of plant and equipment	17	63
Gain on disposal of investment properties	—	(8,674)
Gain on disposal of investments	(2,017)	(2,524)
Share of results of associates and jointly-controlled entities	(222,513)	(139,954)
Change in fair value of investment properties and properties under development	(67,566)	(12,416)
Share-based payment expenses	5,783	6,589
Management fees received in units	(9,061)	(10,380)
Interest income	(16,674)	(17,512)
Interest expense	24,336	19,260
Taxation	33,434	19,162
	17,608	60,042
Changes in working capital:		
Trade and other receivables	(4,602)	(33,397)
Trade and other payables (including security deposits)	(3,454)	(35,344)
Cash generated from/(used in) operations	9,552	(8,699)
Income tax paid	(27,794)	(16,742)
<b>Net Cash Flows Used in Operating Activities</b>	(18,242)	(25,441)
<b>Investing Activities</b>		
Proceeds from disposal of plant and equipment	7	475
Purchase of plant and equipment	(6,224)	(3,757)
Investment in associates and jointly-controlled entities	(177,672)	(248,593)
Investment in available-for-sale investments	(135,857)	(28,743)
Additions to investment properties and properties under development	(327,412)	(46,023)
Proceeds from divestment of fund management units	9,440	9,166
Deposits and prepayment to acquire investment properties and properties under development	(17,528)	(18,631)
Proceeds from disposal of investment properties	—	1,144,141
Acquisition of subsidiaries, net of cash acquired	(247,263)	(74,421)
Liquidation of subsidiary, net of cash acquired	(8)	—
Interest income received	4,984	2,309
Dividends received from associates and jointly-controlled entities	301,986	76,571

	YTD September 2011 S\$'000	YTD September 2010 S\$'000 (restated)
Proceeds of loans and advances (to)/from associates and jointly-controlled entities	(130,736)	(36,312)
Advances to investee company	(55,872)	—
<b>Net Cash Flows (Used in)/from Investing Activities</b>	<b>(782,155)</b>	<b>776,182</b>
<b>Financing Activities</b>		
Proceeds of loan/(repayment) to non-controlling interests	2,621	(112)
Repayment of loan from former non-controlling interests	(271)	(20,121)
Contribution from non-controlling interests	—	126
Proceeds from bank loans	—	259,953
Repayment of bank loans	(8,678)	(353,232)
Proceeds from debt securities	283,458	350,000
Repayment of debt securities	—	(64,438)
Refund of deposits placed	—	578
Interest expense paid	(24,464)	(19,920)
Dividends paid	(135,978)	(38,840)
Dividends paid to non-controlling interests	(26)	—
<b>Net Cash Flows from Financing Activities</b>	<b>116,662</b>	<b>113,994</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(683,735)</b>	<b>864,735</b>
Effect of exchange rate changes on cash balances held in foreign currencies	(8,903)	1,744
Cash and cash equivalents at beginning of the period	1,318,312	543,141
<b>Cash and Cash Equivalents at End of the Period</b>	<b>625,674</b>	<b>1,409,620</b>
Deposits pledged at end of the period	—	587
<b>Cash and Cash Equivalents in the Statements of Financial Position</b>	<b>625,674</b>	<b>1,410,207</b>

## INCOME STATEMENT OF THE ISSUER FOR FY2010

### Income Statement

Period from 13 January 2010 (date of incorporation) to 31 December 2010

	Period from 13 January 2010 (date of incorporation) to 31 December 2010 \$'000
Revenue	15,509
Other Operating Income	559
Administrative Expenses	(2,830)
Finance Costs	(11,645)
	1,593
<b>Profit before Taxation</b>	1,593
Taxation	(249)
	1,344
<b>Profit for the Period</b>	1,344

## STATEMENT OF FINANCIAL POSITION OF THE ISSUER FOR FY2010

Statement of Financial Position  
As at 31 December 2010

	2010 \$'000
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Amounts Due from Related Corporations	1,189,948
	<u>1,189,948</u>
<b>Current Assets</b>	
Interest Receivable	13
Amounts Due from Related Corporations	89,473
Cash and Cash Equivalents	955,515
	<u>1,045,001</u>
<b>Total Assets</b>	<u><u>2,234,949</u></u>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity Attributable to Owner of the Company</b>	
Share Capital	10,000
Revenue Reserve	1,344
Other Reserve	(344)
<b>Total Equity</b>	<u>11,000</u>
<b>Non-Current Liabilities</b>	
Unsecured Bank Loans	247,974
Unsecured Debt Securities	349,337
Amounts Due to Immediate Holding Company	841,550
Derivative Financial Liabilities	344
	<u>1,439,205</u>
<b>Current Liabilities</b>	
Other Payables	6,488
Amounts Due to Immediate Holding Company	734,939
Amounts Due to Related Corporations	43,068
Current Tax Payable	249
	<u>784,744</u>
<b>Total Liabilities</b>	<u>2,223,949</u>
<b>Total Equity and Liabilities</b>	<u><u>2,234,949</u></u>
<b>Net Current Assets</b>	<u>260,257</u>
<b>Total Assets Less Current Liabilities</b>	<u><u>1,450,205</u></u>

## STATEMENT OF CASH FLOWS OF THE ISSUER FOR FY2010

## Statement of Cash Flows

Period from 13 January 2010 (date of incorporation) to 31 December 2010

	Period from 13 January 2010 (date of incorporation) to 31 December 2010 \$'000
<b>Operating Activities</b>	
Profit before taxation	1,593
Adjustments for:	
Interest income	(15,509)
Interest expense	11,645
	<hr/>
	(2,271)
Changes in working capital:	
Other payables	220
Amounts due to immediate holding company	1,576,266
Amounts due from related corporations	(1,229,154)
Interest received	8,287
Interest paid	(7,833)
Proceeds from bank loans	250,000
Proceeds from debt securities	350,000
	<hr/>
<b>Net Cash Flows from Operating Activities</b>	945,515
	<hr/>
<b>Financing Activity</b>	
Proceeds from issue of ordinary shares	10,000
	<hr/>
<b>Cash Flow from Financing Activity</b>	10,000
	<hr/>
<b>Net Increase in Cash and Cash Equivalents</b>	955,515
Cash and cash equivalents at date of incorporation	—
	<hr/>
<b>Cash and Cash Equivalents at End of Period</b>	955,515
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## TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Applications are invited for the subscription of the Bonds at the Issue Price on the terms and conditions set out below.

Investors applying for the Bonds by way of Electronic Application are required to pay S\$1,000 for each board lot of Bonds applied for (at S\$1 per S\$1 in principal amount of the Bonds), subject to the minimum application amount described below and to a refund of the full amount or, as the case may be, the balance of the application moneys (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against the Issuer, the Guarantor or the Lead Manager) (i) where the application is invalid or unsuccessful, or is rejected or accepted in part only, or (ii) if the Offer does not proceed for any reason.

1. **YOUR APPLICATION MUST BE MADE IN RESPECT OF (I) A MINIMUM OF S\$2,000 IN PRINCIPAL AMOUNT OF BONDS PER APPLICATION UNDER THE PUBLIC OFFER, AND (II) A MINIMUM OF S\$50,000 IN PRINCIPAL AMOUNT OF BONDS PER APPLICATION UNDER THE PLACEMENT OR, IN EACH CASE, HIGHER AMOUNTS IN INTEGRAL MULTIPLES OF S\$1,000 THEREOF.**

For example, your application for Bonds under the Public Offer must be made in respect of a minimum of S\$2,000 in principal amount of the Bonds or you may subscribe for a larger amount in integral multiples of S\$1,000, such as S\$3,000 or S\$5,000 in principal amount of the Bonds. Your application for Bonds under the Placement must be made in respect of a minimum of S\$50,000 in principal amount of the Bonds or you may subscribe for a larger amount in integral multiples of S\$1,000, such as S\$51,000 or S\$53,000 in principal amount of the Bonds.

2. Your application for the Public Offer Bonds may only be made by way of ATMs belonging to each of the Participating Banks (being DBS Bank (including POSB), OCBC Bank and UOB Group) or the IB websites of DBS Bank and UOB Group. Applications for the Placement Bonds may only be made directly through the Lead Manager, who will determine at its discretion, the manner and method for applications under the Placement. **YOU MAY NOT USE YOUR CPF FUNDS OR SRS FUNDS TO APPLY FOR THE BONDS.**
3. Investors who wish to subscribe for the Public Offer Bonds may make an application for the Public Offer Bonds by way of Electronic Application from 9.00 a.m. on 4 January 2012 to 2.00 p.m. on 9 January 2012. The Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, change the time(s) and/or date(s) stated above at its discretion, subject to all applicable laws and regulations. In particular, the Issuer will, if so agreed with the Lead Manager, have the absolute discretion to close the Public Offer and/or the Placement early. In such an event, the Issuer will, through the Guarantor, publicly announce the same through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>. The Placement Bonds will only be made available to institutional and other investors directly through the Lead Manager, who will determine, at its discretion, the manner and method for applications under the Placement. Those investors who wish to subscribe for the Placement Bonds may make an application directly through the Lead Manager.
4. **Only one application may be made for the benefit of one person for the Bonds under the Public Offer in his own name. Multiple applications for the Bonds under the Public Offer will be rejected.**

**You may not submit multiple applications for the Bonds under the Public Offer via ATM Electronic Application and/or Internet Electronic Application. For example, a person who is**

submitting an application for the Bonds by way of an ATM Electronic Application may not submit another application for the Bonds by way of an Internet Electronic Application and *vice versa*. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Bonds under the Public Offer shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Bonds may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and such applications may be referred to the relevant authorities for investigation.

**MULTIPLE APPLICATIONS MAY BE MADE IN THE CASE OF APPLICATIONS BY ANY PERSON FOR (I) PLACEMENT BONDS OFFERED UNDER THE PLACEMENT OR (II) PLACEMENT BONDS OFFERED UNDER THE PLACEMENT TOGETHER WITH A SINGLE APPLICATION FOR THE PUBLIC OFFER BONDS UNDER THE PUBLIC OFFER.**

5. The Issuer will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and applicants whose addresses bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
6. The Issuer will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification.
7. **IF YOU ARE MAKING AN APPLICATION FOR THE PUBLIC OFFER BONDS YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF APPLICATION. IF YOU DO NOT HAVE AN EXISTING SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF APPLICATION, YOU WILL NOT BE ABLE TO COMPLETE YOUR ELECTRONIC APPLICATION. IF YOU HAVE AN EXISTING SECURITIES ACCOUNT WITH CDP BUT FAIL TO PROVIDE YOUR CDP SECURITIES ACCOUNT NUMBER OR PROVIDE AN INCORRECT CDP SECURITIES ACCOUNT NUMBER IN YOUR ELECTRONIC APPLICATION, AS THE CASE MAY BE, YOUR APPLICATION IS LIABLE TO BE REJECTED.**
8. **THE ISSUER WILL ONLY ACCEPT NOMINEE APPLICATIONS FOR THE PLACEMENT FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
9. Your application is liable to be rejected if your particulars such as your name, National Registration Identity Card ("NRIC") or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
10. **If your address contained in the records of the relevant Participating Bank is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.**
11. The Issuer reserves the right to reject any applications for Bonds where the Issuer believes or has reason to believe that such applications may violate the securities laws of any jurisdiction.

12. No person in any jurisdiction outside Singapore receiving this Offer Information Statement may treat the same as an offer or invitation to subscribe for any Bonds unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.
13. This Offer Information Statement has not been and will not be registered in any jurisdiction other than the lodgment of this Offer Information Statement with the Authority in accordance with the requirements of the SFA. The distribution of this Offer Information Statement may be prohibited or restricted (either absolutely or unless various relevant securities requirements, whether legal, administrative or otherwise, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Without limiting the generality of the foregoing, neither this Offer Information Statement nor any copy thereof may be published or distributed, directly or indirectly, in whole or in part, in or into the United States and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Bonds and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or delivered in the United States except in certain transactions exempt from the registration requirements of the Securities Act. The Bonds and the Guarantee are being offered and sold in offshore transactions (as defined in Regulation S) outside the United States in reliance on Regulation S. There will be no public offer of the Bonds in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.
14. The Issuer reserves the right to reject any application which does not conform strictly to the instructions set out in this Offer Information Statement or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Information Statement or which is accompanied by an improperly drawn or improper form of remittance.
15. The Issuer and the Lead Manager reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications for the Bonds.
16. The Issuer and the Lead Manager further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in this Offer Information Statement and in the ATMs of the relevant Participating Banks and the IB website of DBS Bank or UOB Group, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of the Issuer, the Lead Manager, as agent of the Issuer, has been authorised to accept, for and on behalf of the Issuer, such other forms of application as the Lead Manager may deem appropriate.

17. The Global Certificate will be registered in the name of CDP or its nominee and will be forwarded only to CDP. Upon crediting of the Bonds to your Securities Account (one Market Day before the Bonds are listed on the Main Board of the SGX-ST), it is expected that CDP will send to you, at your own risk, within three Market Days after the date on which the Bonds are credited, a notification letter stating that your Securities Account has been credited with the number of Bonds allocated to you. You consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number and application amount from your account with the relevant Participating Bank branch to the SGX-ST, CDP, the Issuer, the Guarantor and the Lead Manager. This authorisation applies to applications made by way of Electronic Application.

18. In the case of an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM or, in the case of an Internet Electronic Application by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen in accordance with the provisions herein or in the case of an application under the Placement, by submitting an application through the Lead Manager, you:
- (a) irrevocably agree and undertake to subscribe for the principal amount of Bonds specified in your application (or such smaller principal amount for which the application is accepted) at the Issue Price for each Bonds and agree that you will accept such principal amount of Bonds as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, this Offer Information Statement;
  - (b) agree that where new circumstances arise, or changes in the affairs of the Issuer, the Guarantor or the Group occur after the date of this Offer Information Statement but prior to the issue of the Bonds, and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, and the Issuer through the Guarantor, makes an announcement of the same to the SGX-ST, your application for the Bonds which was received by the Issuer prior to the release of such announcement will remain valid and irrevocable notwithstanding the release of such announcement. If a supplementary or replacement document is lodged, such supplementary or replacement document will set out the additional terms and conditions relating to applications for the Bonds and applications received by the Issuer prior to the lodgment of such supplementary or replacement document will be subject to such terms and conditions;
  - (c) agree that in the event of any inconsistency between the terms and conditions for application set out in this Offer Information Statement and those set out in the ATMs of the Participating Banks or the IB websites of DBS Bank and UOB Group, the terms and conditions set out in this Offer Information Statement shall prevail;
  - (d) in the case of an application by way of an Electronic Application, agree that the aggregate Issue Price for the Bonds applied for is due and payable to the Issuer upon application;
  - (e) in the case of an application under the Placement, agree that the aggregate Issue Price for the Bonds applied for is due and payable to the Issuer on or about the Issue Date, unless otherwise agreed by the Issuer and the Lead Manager;
  - (f) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Issuer and the Lead Manager in determining whether to accept your application and/or whether to allocate any Bonds to you;
  - (g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and the Issuer and the Lead Manager will not infringe any such laws as a result of the acceptance of your application;
  - (h) agree and confirm that you are outside the United States; and
  - (i) understand that the Bonds and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction subject to the registration requirements of the Securities Act and applicable state securities laws. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

19. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Bonds allocated to you pursuant to your application, to the Issuer, the Guarantor, the Lead Manager and/or any other parties so authorised by CDP, the Issuer, the Guarantor and/or the Lead Manager.
20. No application will be held in reserve.
21. No Bonds shall be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement with the Authority.
22. Additional terms and conditions for applications by way of Electronic Application are set out in this section entitled “Additional Terms and Conditions for Electronic Application” on pages 150 to 155 of this Offer Information Statement.
23. Any reference to “you” or the “applicant” in this section shall include an individual applying for the Public Offer Bonds by way of an Electronic Application or an individual, a corporation, an approved nominee company and trustee applying for the Placement Bonds (or in such other manner or method as the Lead Manager will determine, at its discretion).

#### **ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION**

- |                    |   |   |
|--------------------|---|---|
| Price per unit     | : | S\$1 per unit, representing S\$1 in principal amount of the Bonds (being 100 per cent. in principal amount of the Bonds).   |
| Application Amount | : | In multiples of 1,000 units (subject to a minimum of 2,000 units).  |
| Application Period | : | 9.00 a.m. on 4 January 2012 to 2.00 p.m. on 9 January 2012 (or such other time(s) and/or date(s) as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, decide). |

The procedures for Electronic Application are set out on the ATM screens of the Participating Banks (in the case of ATM Electronic Application) and the IB website screens of DBS Bank and UOB Group (in the case of Internet Electronic Application). For illustration purposes, the procedures for Electronic Application through ATMs of DBS Bank and the IB website of DBS Bank (together, the “**Steps**”) are set out in the section “Steps for ATM Electronic Application through ATMs of DBS Bank (including POSB)” appearing on pages 156 to 158 of this Offer Information Statement and “Steps for Internet Electronic Applications through the IB website of DBS Bank” appearing on pages 159 to 160 of this Offer Information Statement. Please read carefully the terms of this Offer Information Statement, the Steps and the terms and conditions for Electronic Application set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Application” and the Steps shall refer to you making an application for the Bonds through an ATM of one of the relevant Participating Banks or the IB website of DBS Bank or UOB Group.

The Steps set out the actions that you must take at the ATMs of DBS Bank (including POSB) or the IB website of DBS Bank to complete an Electronic Application. The actions that you must take at ATMs of the other Participating Banks are set out on the ATM screens of the relevant Participating Banks and the actions that you must take on the IB website of UOB Group are set out on the IB website screen of UOB Group. Applications for the Bonds by way of Electronic Applications will incur a non-refundable fee and/or such related charges as stipulated by the Participating Banks from time to time.

If you are making an ATM Electronic Application:

- (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an ATM Electronic Application at their ATMs. An ATM card issued by one Participating Bank cannot be used to apply for the Public Offer Bonds at an ATM belonging to another Participating Bank.
- (b) **You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name.** If you fail to use an ATM card issued in your own name or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with the relevant Participating Bank, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.
- (c) Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention. No report or letter will be sent to you.

If you are making an Internet Electronic Application:

- (a) You must have an existing bank account with, and a User Identification ("**User ID**") as well as a Personal Identification Number ("**PIN**") given by DBS Bank or UOB Group.
- (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.
- (c) Upon the completion of your Internet Electronic Application through the IB website of DBS Bank or UOB Group, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention. No report or letter will be sent to you.

If you do not have an existing Securities Account with CDP in your own name at the time of your application, you will not be able to complete your Electronic Application. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to the following paragraph, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number contained in the records of the relevant Participating Bank differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

Your Electronic Application shall be made on the terms and subject to the conditions of this Offer Information Statement including but not limited to the terms and conditions appearing below and those set out under this section entitled "TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE" on pages 146 to 160 of this Offer Information Statement.

1. In connection with your Electronic Application for Public Offer Bonds, you are deemed to have confirmed statements to the following effect in the course of activating your Electronic Application:
  - (a) **that you have received a copy of this Offer Information Statement and have read, understood and agreed to all the terms and conditions of application for Bonds in this Offer Information Statement prior to effecting the Electronic Application and agree to be bound by the same;**

- (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, and application amount (the “Relevant Particulars”) from your account with the relevant Participating Bank to CDP, the SGX-ST, the Issuer, the Guarantor and the Lead Manager (the “Relevant Parties”); and
- (c) that the Electronic Application made is your only application for Public Offer Bonds and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” button or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the three statements above. In respect of statement 1(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key in the ATM or by clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” button or any other relevant button on the IB website screen, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **By making an Electronic Application, you confirm that you are not applying for the Public Offer Bonds as a nominee of any other person and that any Electronic Application that you make is the only application made by you as beneficial owner. You shall make only one Electronic Application for the Public Offer Bonds and shall not make any other application for the Public Offer Bonds whether at the ATMs of any Participating Bank or the IB website of DBS Bank or UOB Group.**
3. You must have sufficient funds in your bank account with the relevant Participating Bank at the time you make your Electronic Application, failing which such Electronic Application will not be completed. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Information Statement or on the screens of the ATMs of the relevant Participating Bank or on the IB website of DBS Bank or UOB Group through which your Electronic Application is being made shall be rejected.**
4. You may apply and make payment for your application for the Public Offer Bonds in Singapore currency through any ATM of a Participating Bank or the IB website of DBS Bank or UOB Group using only cash by authorising the relevant Participating Bank to deduct the full amount payable from your bank account(s) with the relevant Participating Bank. An application for Public Offer Bonds under the Public Offer is subject to a minimum of S\$2,000 in principal amount of Bonds per application.
5. You irrevocably agree and undertake to subscribe for and to accept the principal amount of Public Offer Bonds applied for as stated on the Transaction Record or the Confirmation Screen or any lesser principal amount of Public Offer Bonds that may be allocated to you in respect of your Electronic Application. In the event that the Issuer decides to allocate any lesser principal amount of such Public Offer Bonds or not to allocate any Public Offer Bonds to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM or your action of clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” button or any other relevant button on the IB website screen) of the principal amount of Public Offer Bonds applied for shall signify and shall be treated as your acceptance of the principal amount of Public Offer Bonds that may be allocated to you.

6. The Issuer will not keep any applications in reserve. Where your Electronic Application is invalid, unsuccessful or is rejected or accepted in part only, the full amount or, as the case may be, the balance of the application moneys will be returned in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your relevant Participating Bank within 24 hours of balloting of the Bonds.

**Responsibility for the timely refund of application moneys from unsuccessful or partially successful Electronic Applications lies with the relevant Participating Bank. Therefore, you are strongly advised to consult the relevant Participating Bank as to the status of your Electronic Application and/or the refund of any moneys to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Bonds allocated to you, if any, before trading the Bonds on the Main Board of the SGX-ST. None of the SGX-ST, CDP, the Participating Banks, the Issuer, the Guarantor or the Lead Manager assumes any responsibility for any loss that may be incurred as a result of your having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.**

7. If your ATM Electronic Application or Internet Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd.	1800 339 6666 (POSB) 1800 111 1111 (DBS Bank)	Internet Banking at <a href="http://www.dbs.com">http://www.dbs.com</a> <sup>(1)</sup>	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited	1800 363 3333	Phone Banking/ATM/Internet Banking at <a href="http://www.ocbc.com">http://www.ocbc.com</a> <sup>(2)</sup>	24 hours a day	Evening of the balloting day
UOB Group	1800 222 2121	Phone Banking/ATM — “Other Transactions” — IPO Enquiry”/ Internet Banking at <a href="http://www.uobgroup.com">http://www.uobgroup.com</a> <sup>(3)</sup>	24 hours a day	Evening of the balloting day

**Notes:**

- (1) If you have made an Internet Electronic Application through the IB website of DBS Bank, you may check the results of your application through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.
- (2) If you have made an Electronic Application through the ATMs of OCBC Bank, you may check the results of your application through OCBC Bank ATMs, OCBC Bank Internet Banking or OCBC Bank Phone Banking services.
- (3) If you have made an Electronic Application through the ATMs or the IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking services.

The results of the Offer will be announced by the Guarantor, on behalf of the Issuer through a SGXNET announcement on or about 12 January 2012.

8. Electronic Applications shall close at 2.00 p.m. on 9 January 2012 or such other time and/or date as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, decide. Subject to paragraph 10 below, all Internet Electronic Applications are deemed to be received when they enter the designated information system of DBS Bank or UOB Group, as the case may be.

9. You are deemed to have irrevocably requested and authorised the Issuer to:
- (a) register the Public Offer Bonds allocated to you in the name of CDP for deposit into your Securities Account;
  - (b) send the Global Certificate to CDP; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the application moneys in Singapore dollars, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your relevant Participating Bank with the relevant amount within 24 hours of balloting.
10. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the relevant Participating Bank, the Issuer, the Guarantor and/or the Lead Manager and if, in any such event, the Issuer, the Guarantor, the Lead Manager and/or the relevant Participating Bank do not record or receive your Electronic Application, or data relating to your Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Issuer, the Guarantor, the Lead Manager and/or the relevant Participating Bank for the Public Offer Bonds applied for or for any compensation, loss or damage.
11. The Issuer does not recognise the existence of a trust. Any Electronic Application by a trustee must be made in his own name(s) and without qualification. The Issuer will reject any Electronic Application by any person acting as a nominee.
12. All particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your relevant Participating Bank.
13. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation and other correspondence from CDP will be sent to your last registered address with CDP.
14. By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) In consideration of the Issuer making available the Electronic Application facility through the ATMs of the Participating Banks or the IB websites of DBS Bank and UOB Group and agreeing to close the offer of the Bonds at 2.00 p.m. on 9 January 2012 or such other time and/or date as the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Lead Manager, decide, and by making and completing an Electronic Application:
    - (i) your Electronic Application is irrevocable;
    - (ii) your Electronic Application, the acceptance by the Issuer and the contract resulting therefrom under the offer of the Bonds shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and

- (iii) you represent and agree that you are located in Singapore and you and the person, if any, for whose account you are acting is located in Singapore, and you are purchasing the Bonds and the Guarantee in an offshore transaction (within the meaning of Regulation S);
- (b) none of the Issuer, the Guarantor, the Lead Manager, the Participating Banks or CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to us or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
- (c) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and
- (d) in making your application, reliance is placed solely on the information contained in this Offer Information Statement and that none of the Issuer, the Guarantor, the Lead Manager or any other person involved in the offer of the Bonds shall have any liability for any information not so contained.

## Steps for ATM Electronic Applications through ATMs of DBS Bank (including POSB)

Step-by-step instructions for ATM Electronic Applications will appear on the ATM screens of the relevant Participating Bank. For illustration purposes, the steps for making an Electronic Application through the ATMs of DBS Bank or POSB are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “SGX-ST” and “Maximum” respectively). Instructions for an ATM Electronic Application appearing on the ATM screens of the other Participating Banks may differ from those represented below.

- Step 1 : Insert your personal DBS Bank or POSB ATM Card.
- 2 : Enter your Personal Identification Number.
- 3 : Select “MORE SERVICES”.
- 4 : Select “LANGUAGE” (for customers using multi-language card).
- 5 : Select “ESA-IPO SHARE/SGS/INVESTMENTS”.
- 6 : Select “ELECTRONIC SECURITY APPLN (IPOS/BONDS/ST-NOTES/SECURITIES)”.
- 7 : Read and understand the following statements which will appear on the screen:
- **(IN THE CASE OF A SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM THE ISSUE MANAGER AND WHERE APPLICABLE, DBS/POSB BRANCHES IN SINGAPORE AND THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.**  
  
(PRESS “ENTER” to continue)
  - **(IN THE CASE OF A SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE**

**STATEMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED, WHICH TAKES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.**

(PRESS "ENTER" to continue)

- **(IN THE CASE OF A SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT TO BE LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) MAY BE MADE IN A NOTICE PUBLISHED IN A NEWSPAPER AND/OR A CIRCULAR/DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE NOTICE/CIRCULAR/DOCUMENT BEFORE SUBMITTING HIS APPLICATION, WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE NOTICE/CIRCULAR/DOCUMENT.**

(PRESS "ENTER" to continue)

8 : Select "CMA BOND" to display details in relation to the Bonds.

9 : Press the "ENTER" key to acknowledge:

- **YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PR OSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT AND/OR NOTICE/CIRCULAR.**
- **YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NUMBER, ADDRESS, NATIONALITY, CDP SECURITIES ACCOUNT NUMBER, CPF INVESTMENT ACCOUNT NUMBER AND APPLICATION DETAILS TO REGISTRARS OF SECURITIES OF THE ISSUER, SGX, SCCS, CDP, CPF, ISSUER/VENDOR(S) AND ISSUE MANAGER(S).**
- **THIS APPLICATION IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.**
- **FOR FIXED AND MAXIMUM PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.**
- **THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.**
- **YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.**
- **THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR. SUBJECT TO AVAILABILITY, YOU MAY BE**

**ALLOTTED/ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR OR (IN THE CASE OF AN EARLIER CLOSURE UPON FULL SUBSCRIPTION) YOUR APPLICATION MAY BE REJECTED IF ALL THE AVAILABLE SECURITIES HAVE BEEN FULLY ALLOTTED/ALLOCATED TO EARLIER APPLICANTS.**

- 10 : Select your nationality.
- 11 : Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.
- 12 : Enter the number of securities you wish to apply for using cash.
- 13 : Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank's records) your own 12-digit CDP Securities Account number. (Note: This step will be omitted automatically if your CDP Securities Account number has already been stored in DBS Bank's records).
- 14 : Check the details of your securities application, your NRIC or passport number, CDP Securities Account number, number of securities and application amount on the screen and press the "ENTER" key to confirm your application.
- 15 : Remove the Transaction Record for your reference and retention only.

## Steps for Internet Electronic Applications through the IB website of DBS Bank

The steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C” and “No.” refer to “Account”, “and”, “Amount”, “NRIC” and “Number”, respectively). Instructions for an Internet Electronic Application appearing on the IB website screen of UOB Group may differ from those represented below.

- Step 1 : Click on DBS Bank website (<http://www.dbs.com>).
- 2 : Login to Internet banking.
- 3 : Enter your User ID and PIN.
- 4 : Select “Electronic Security Application (ESA)”.
- 5 : Click “YES” to proceed and to warrant, *inter alia*, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”)).
- 6 : Select your country of residence and click “I Confirm”.
- 7 : Click on “CMA BOND” for the Bonds and click the “Submit” button.
- 8 : Click on “Confirm” to confirm, *inter alia*:
- You have read, understood and agreed to all terms of application set out in the Prospectus/Offer Information Statement/Document/Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Offer Information Statement/Document/Profile Statement.
  - You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and application details to registrars of securities, SGX, SCCS, CDP, CPF Board, issuer/vendor(s) and the issue manager(s).
  - You are not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act).
  - You understand that the securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any “U.S. person” (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.
  - This application is made in your own name and at your own risk.
  - For FIXED/MAXIMUM price securities application, this is your **only** application. For TENDER price securities\* application, this is your only application at the selected tender price.

- For FOREIGN CURRENCY securities\*, subject to the terms of the issue, please note the following:

The application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.

- For 1ST-COME-1ST-SERVE securities\*, the number of securities applied for may be reduced, subject to availability at the point of application.

- 9 : Fill in the details for your securities application and click "Submit".
- 10 : Check the details of your securities application, your NRIC or passport number and click "Confirm" to confirm your application.
- 11 : Print the Confirmation Screen (optional) for your reference and retention only.

**Note:**

\* Not applicable to an Internet Electronic Application for the Public Offer Bonds.

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