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CAPITAMALLS ASIA LIMITED

凱德商用產業有限公司*

(Singapore Company Registration Number: 200413169H)
(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 6813)
(Singapore Stock Code: JS8)

LETTER TO SHAREHOLDERS FROM THE BOARD

Directors:

Mr Ng Kee Choe
Mr Lim Ming Yan
Mr Lim Tse Ghow Olivier
Mr Sunil Tissa Amarasuriya
Tan Sri Amirsham A Aziz
Dr Loo Choon Yong
Mrs Arfat Pannir Selvam
Mr Bob Tan Beng Hai
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23 May 2014

To: The Shareholders of CapitaMalls Asia Limited

Dear Sir / Madam,

REVISION OF VOLUNTARY CONDITIONAL CASH OFFER

1. BACKGROUND

1.1 Offer. On 14 April 2014 (the "**Offer Announcement Date**"), Credit Suisse (Singapore) Limited and Morgan Stanley Asia (Singapore) Pte. (the "**Offeror Financial Advisors**"), for and on behalf of Sound Investment Holdings Pte. Ltd. (the "**Offeror**"), a wholly-owned subsidiary of CapitaLand Limited ("**CapitaLand**"), announced that the Offeror intends to make a voluntary conditional cash offer for all the remaining Shares in the capital of the Company, a subsidiary of CapitaLand, at a price of S\$2.22¹ in cash per Offer Share (the "**Offer Price**"), with a view to delist CMA. The details of the Offer are contained in the offer document dated 28 April 2014 (the "**Offer Document**") in relation to the Offer.

1.2 Revision of the Offer. On 16 May 2014, the Offeror Financial Advisors, for and on behalf of the Offeror, issued an announcement (the "**Offer Revision Announcement**") that the Offer is being revised in the manner described in the Offer Revision Announcement. The revisions are as follows:

- (i) the Offer Price has been increased;
- (ii) the Acceptance Condition has been waived; and

¹ As stated in the announcement dated 28 April 2014 titled "Offer Price Adjustment for FY2013 Final Dividend", the initial Offer Price of S\$2.22 per Offer Share was adjusted for the FY2013 Final Dividend of S\$0.0175 per Share to S\$2.2025 per Offer Share.

* For identification purposes only.

- (iii) the closing date for the Offer has been extended to 5.30 p.m. (Singapore time) on 9 June 2014, or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the “**Closing Date**”).

A copy of the Offer Revision Announcement is available on the websites of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and The Stock Exchange of Hong Kong Limited (the “**HKSE**”) at www.sgx.com and at www.hkexnews.hk, respectively. Shareholders are advised to review the Offer Revision Announcement in its entirety and carefully.

This supplemental letter (“Supplemental Letter”), which supplements the circular to shareholders of the Company (the “Shareholders”) dated 9 May 2014 (the “Offeree Circular”), is important as it contains the recommendation of the directors of the Company (the “Directors”) who are considered independent for the purpose of making a recommendation to Shareholders of the Company in respect of the Offer, namely Dr Loo Choon Yong, Mr Sunil Tissa Amarasuriya, Mr Bob Tan Beng Hai and Professor Tan Kong Yam (the “Independent Directors”) and the advice of Deutsche Bank AG, Singapore Branch (“DB” or the “IFA”) as the independent financial adviser to the Independent Directors in respect of the Offer. This Supplemental Letter requires the immediate attention of Shareholders of the Company who are advised to read it carefully.

If you are in any doubt in relation to this Supplemental Letter or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. Each of the SGX-ST, HKSE and Hong Kong Securities Clearing Company Limited does not assume and takes no responsibility for the contents of this Supplemental Letter or the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Supplemental Letter. Further each of them makes no representation as to the accuracy or completeness of this Supplemental Letter and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Supplemental Letter.

- 1.3 Definitions.** Unless otherwise stated, all terms and expressions used in this Supplemental Letter shall have the meanings given to them in the Offeree Circular. References to the “**Latest Practicable Date**” in this Supplemental Letter refer to 16 May 2014.
- 1.4 Revision notification.** Shareholders should have by now received a copy of the written notification dated 21 May 2014 (the “**Revision Notification**”) issued by the Offeror Financial Advisors (or in the case of Hong Kong Registered Shareholders, by Credit Suisse (Hong Kong) Limited and Morgan Stanley Asia Limited), for and on behalf of the Offeror, setting out, *inter alia*, the revisions to the Offer. **Shareholders are advised to read the revised terms and conditions of the Offer set out in the Offer Revision Announcement and the Revision Notification carefully.**

A copy of the Revision Notification is available on the websites of the SGX-ST and the HKSE at www.sgx.com and at www.hkexnews.hk, respectively. **Shareholders are advised to review the Revision Notification in its entirety and carefully.**

- 1.5 Offer declared unconditional in all respects.** As stated in the Offer Revision Announcement, as the Acceptance Condition is waived, and as the Offer is not subject to any other conditions, the Offer has been declared unconditional in all respects.
- 1.6 Purpose of this Supplemental Letter.** The purpose of this Supplemental Letter is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer as set out in this Supplemental Letter before deciding whether or not to accept the Offer.

2. REVISION OF THE OFFER PRICE

2.1 Final Offer Price. As stated in Section 2.1 of the Offer Revision Announcement, the Offeror Financial Advisors, for and on behalf of the Offeror, are revising the Offer Price as follows:

For each Offer Share: S\$2.35 in cash (the “Final Offer Price”)².

Section 2.1 of the Offer Revision Announcement further states that **the Offeror will not further revise the Final Offer Price.**

2.2 No Encumbrances. As stated in Section 2.1 of the Offer Revision Announcement, the Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from all Encumbrances; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by the Company on or after the Offer Announcement Date, with the exception of the FY2013 Final Dividend approved by the Shareholders at the annual general meeting of CMA held on 17 April 2014 and paid to Shareholders on or about 16 May 2014.

If any Distribution (other than the FY2013 Final Dividend) is announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Final Offer Price payable in respect of such Offer Share will be reduced by the amount of such Distribution.

3. WAIVER OF ACCEPTANCE CONDITION

As stated in Section 3 of the Offer Revision Announcement, the Offeror Financial Advisors have announced, for and on behalf of the Offeror, that the Acceptance Condition has been waived.

According to the Offer Revision Announcement, the Offeror had in the Offer Document reserved the right to waive the Acceptance Condition or reduce such condition to a level below more than 90% (but in any event above 50%) of the voting rights attributable to all Shares in issue as at the close of the Offer, subject to the approval of the SIC.

As stated in Section 3 of the Offer Revision Announcement, CapitaLand already held approximately 65.3% of the Shares in issue as at the Offer Announcement Date and as at the date of the Offer Revision Announcement, the Offeror and its Concert Parties held approximately 70.4%³ of the Shares in issue⁴. The Offeror has obtained the consent of the SIC to waive the Acceptance Condition, subject to the revised Offer remaining open for another 14 days following the date of posting of the written notification of revision and the Shareholders who have accepted the initial Offer being permitted to withdraw their acceptances within eight (8) days of the notification of the revision, i.e. within eight (8) days from 16 May 2014, being the date of the Offer Revision Announcement (the “**Withdrawal Period**”).

² As stated in the Offer Revision Announcement, the Final Offer Price is ex-FY2013 Final Dividend.

³ As stated in the Offer Revision Announcement, such shareholding percentage does not include any Offer Shares tendered in acceptance of the Offer.

⁴ In the Offer Revision Announcement, the percentage of the Company’s shareholding is computed based on 3,897,695,302 Shares in issue.

4. OFFER DECLARED UNCONDITIONAL

As stated in Section 4 of the Offer Revision Announcement, as the Acceptance Condition is waived, and the Offer is not subject to any other conditions, the Offer has been declared unconditional in all respects.

As provided in Section 4 of the Offer Revision Announcement, appropriate payment to the Shareholders who have:

- (i) validly accepted the Offer on or before the date of the Offer Revision Announcement; and
- (ii) not withdrawn their acceptances within the Withdrawal Period,

will be made within 10 days of the Offer Revision Announcement.

Shareholders who have earlier accepted the Offer and have not withdrawn their acceptances within the Withdrawal Period will receive the Final Offer Price per Offer Share.

5. EXTENSION OF CLOSING DATE

Section 8 of the Offer Revision Announcement states that pursuant to Rule 22.6 of the Code, after an Offer has become or is declared unconditional as to acceptances, the Offer must remain open for acceptance for not less than 14 days after the date on which the Offer would otherwise have closed.

Accordingly, the Closing Date of the Offer has been extended from 5.30 p.m. (Singapore time) on 26 May 2014 to **5.30 p.m. (Singapore time) on 9 June 2014**, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

6. OTHER TERMS OF THE OFFER

As set out in Section 9 of the Offer Revision Announcement, save for the revision of the Offer Price, the waiver of the Acceptance Condition and the extension of the closing date as set out above, all other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

7. ADVICE AND RECOMMENDATIONS

- 7.1 Independent Directors.** Dr Loo Choon Yong, Mr Sunil Tissa Amarasuriya, Mr Bob Tan Beng Hai and Professor Tan Kong Yam are independent for the purposes of the Offer and are required to make a recommendation to the Shareholders in respect of the Offer. For the reasons set out in Section 7 of the Offeree Circular, Mr Ng Kee Choe, Mr Lim Ming Yan, Mr Lim Tse Ghow Olivier, Tan Sri Amirsham A Aziz, Mrs Arfat Pannir Selvam and Mr Lim Beng Chee are parties presumed to be acting in concert with the Offeror and CapitaLand under the Code and would face, or may reasonably be perceived to face, a conflict of interest, that would render each of them inappropriate to join the Independent Directors in making a recommendation on the Offer to the Shareholders. They have therefore been exempted by the SIC from the requirement to make a recommendation to the Shareholders on the Offer. However, they still assume responsibility for the accuracy of the facts stated in the documents which the Company will send to Shareholders in connection with the Offer.
- 7.2 General. SHAREHOLDERS ARE ADVISED TO READ THE LETTER FROM THE IFA (THE "SUPPLEMENTAL IFA LETTER") SET OUT IN APPENDIX 1 OF THIS SUPPLEMENTAL LETTER CAREFULLY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER.**
- 7.3 Advice of the IFA to the Independent Directors.** The Independent Directors have carefully considered the advice of the IFA in respect of the revised terms and conditions of the Offer, which is

set out in **Appendix 1** to this Supplemental Letter. The IFA's recommendation in respect of the revised terms and conditions of the Offer as extracted from Section 8 of the Supplemental IFA Letter, are set out below and should be read in conjunction with, and in the context of, the full text of the Supplemental IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the Supplemental IFA Letter.

In arriving at our opinion on the Revised Offer, we have taken into account the following key considerations in the context of a non-change of control transaction (which should be read in conjunction with, and in the context of, the full text of this letter):

8.1	Factors in favour of the Final Offer Price	8.2	Factors against the Final Offer Price
8.1.1	<i>The Final Offer Price represents a premium of approximately 34.4%, 32.8%, 27.6%, 24.3%, 27.1% and 24.6% over the 1-month, 3-month, 6-month, 1-year, 2-year, and since IPO VWAP of the Shares, respectively;</i>	8.2.1	<i>The Final Offer Price represents a premium of 10.8% to the IPO price, which is less than the NAV per share growth of 38% since the IPO;</i>
8.1.2	<i>The Final Offer Price represents a premium of approximately 25.7%, over the unaudited NAV per Share of the Company of S\$1.87 as at 31 March 2014;</i>	8.2.2	<i>The Final Offer Price is a discount of 9.6% to the maximum broker price target of S\$2.60;</i>
8.1.3	<i>The Final Offer Price is at a premium of 3.1% to the mean broker price target of S\$2.28;</i>	8.2.3	<i>The Final Offer Price is at a discount of 11.7% to the mean analyst RNAV of S\$2.66 and a discount of 23.7% to the maximum analyst RNAV of S\$3.08; and</i>
8.1.4	<i>The Final Offer Price is equal to the upper end of our Adjusted NAV range of S\$2.28 to S\$2.35;</i>	8.2.4	<i>In comparison with the Precedent Singapore Take-over Premia for selected transactions where the offeror had majority control, the Final Offer Price represents a premium of approximately 24.3% over the 12-month VWAP. This compares to a median premium of 27.4% to the 12-month VWAP.</i>
8.1.5	<i>In comparison with the Singapore Comparable Companies:</i>		
	i. <i>The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is higher than the range of the P/Book NAV ratios of the Singapore Comparable Companies, and higher than both the mean and median P/Book NAV ratio of 0.94x and 0.93x, respectively, in respect of the Singapore Comparable Companies;</i>		
	ii. <i>The P/Analyst RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is within the range of the P/Analyst RNAV ratios of the Singapore Comparable Companies, and higher than both the mean and median P/Analyst RNAV ratio of 0.78x and 0.74x, respectively, in respect of the Singapore Comparable Companies;</i>		
	iii. <i>The LTM P/Op EPS ratio of CMA based on the Final Offer Price is 35.7x, which is higher than the range of the LTM P/Op EPS ratios of the Singapore Comparable Companies, and higher than both the mean and median LTM P/Op EPS ratio of 16.0x and 16.7x, respectively, in respect of the Singapore Comparable Companies; and</i>		

- iv. *The LTM P/E ratio of CMA based on the Final Offer Price is 15.2x, which is within the range of the P/E ratios of the Singapore Comparable Companies, and higher than both the mean and median P/E ratio of 10.0x and 10.0x, respectively, in respect of the Singapore Comparable Companies.*

8.1.6 *In comparison with the Hong Kong Comparable Companies:*

- i. *The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is higher than the range of the P/Book NAV ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/Book NAV ratio of 0.61x and 0.57x, respectively, in respect of the Hong Kong Comparable Companies;*
- ii. *The P/Analyst RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is higher than the range of the P/Analyst RNAV ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/Analyst RNAV ratio of 0.52x and 0.53x, respectively, in respect of the Hong Kong Comparable Companies; and*
- iii. *The LTM P/E ratio of CMA based on the Final Offer Price is 15.2x, which is higher than the range of the P/E ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/E ratio of 7.1x and 5.9x, respectively, in respect of the Hong Kong Comparable Companies.*

8.1.7 *In comparison with the Selected Singapore Property Precedent Transactions:*

- i. *The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is within the range of the P/Book NAV ratios of the Selected Singapore Property Precedent Transactions, and higher than both the mean and median P/Book NAV ratio of 1.09x and 0.99x, respectively, in respect of the Selected Singapore Property Precedent Transactions; and*
- ii. *The P/RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is within the range of the P/RNAV ratios of the Selected Singapore Property Precedent Transactions, and higher than both the mean and median P/RNAV ratio of 0.80x and 0.80x, respectively, in respect of the Selected Singapore Property Precedent Transactions.*

8.1.8 *In comparison with the Precedent Singapore Take-over Premia for selected transactions*

where the offeror had majority control:

- i. The Final Offer Price represents a premium of approximately 30.2% over the last traded price on the Last Trading Day. This compares to a median premium of 22.7% to the last traded price;
- ii. The Final Offer Price represents a premium of approximately 34.4% over the 1-month VWAP. This compares to a median premium of 22.9% to the 1-month VWAP;
- iii. The Final Offer Price represents a premium of approximately 32.8% over the 3-month VWAP. This compares to a median premium of 23.9% to the 3-month VWAP; and
- iv. The Final Offer Price represents a premium of approximately 27.6% over the 6-month VWAP. This compares to a median premium of 21.0% to the 6-month VWAP.

8.1.9 As compared to the relative performance of the market indices, the current market price and the trading volume of the Shares may have been underpinned by the Offer subsequent to the Offer Announcement Date. As such, there is no assurance that the market price and trading volume of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close of the Offer.

8.3 Other factors:

8.3.1 As at the Latest Practicable Date, the Offeror and its Concert Parties holds approximately 71.0% of the Shares and the Company has confirmed that there is no alternative or competing offer available to the Shareholders. In the event of an alternative or competing offer, we note that unless the Offeror and its Concert Parties accept such alternative or competing offer, any offer made by any third parties would not be capable of becoming unconditional;

8.3.2 As at the Latest Practicable Date, if during the Revised Offer, the Offeror acquires another 739,153,772 Shares representing approximately 19.0% of the Shares as at the Latest Practicable Date, the Free Float Requirement will not be met and the SGX-ST would have the right to suspend trading in the Shares following the close of the Revised Offer;

8.3.3 The intention of the Offeror to exercise any rights of compulsory acquisition in the event that the Offeror acquires not less than 90% of the total number of issued Shares as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer). Between the Offer Announcement Date and the Latest Practicable Date, the Offeror acquired a total of 224,752,000 Shares in the open market at prices ranging from S\$2.20 to S\$2.35 per Share. As at the Latest Practicable Date, the Offeror and its Concert Parties owned, controlled or has agreed to acquire an aggregate of 2,880,897,690² Shares representing approximately 73.9% of the share capital of the Company as at the Latest Practicable Date;

² Includes acceptances of 100,593,406 Shares which are subject to the Shareholders' Right of Withdrawal as outlined in section 3.1 in CapitaLand's Dealing Disclosure and Level of Acceptances for 16 May 2014

8.3.4 *The intention of the Offeror not to maintain or support any action taken or to be taken to maintain the listing status of the Company if the Offeror is unable to exercise the right to compulsorily acquire all the Shares not acquired under the Revised Offer and the Company does not meet the Free Float Requirement pursuant to Rule 723 of the Listing Manual;*

8.3.5 *The Share Price of CMA may fall below its current trading levels if the Revised Offer fails; and*

8.3.6 *The Offeror has no present intention to make any major changes to the existing business of the Company.*

For the purposes of providing this letter and our evaluation of the Revised Offer for Shares from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, an opinion on the future growth prospects and earnings potential of the Company. We are therefore not expressing any opinion herein as to the price at which the Shares may trade or on the future financial performance of the Company.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Shareholder and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors.

Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinion also does not incorporate an assessment of the price at which the Shares may trade following the success or failure of the Revised Offer. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Revised Offer.

We have considered the Factors in favour of the Final Offer Price and the Factors against the Final Offer Price in the context of a non-change of control transaction. We note that the Factors in favour of the Final Offer Price outweigh in number the Factors against the Final Offer Price. In particular, the Final Offer Price's valuation ratios are higher than the mean and median of the Comparable Companies which reflect the current market valuation of the Singapore and China property sectors and are higher than the mean and median of the Singapore Property Precedent Transactions which reflect the premiums paid previously for property privatisation transactions.

Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date the terms of the Revised Offer are fair and reasonable from a financial point of view in the context of a non-change of control transaction.

We note that the Independent Directors may wish to consider advising Shareholders who:

- i. Wish to realise their investments in the Company at this time but are unable to sell their Shares in the open market at a price (after deduction of related expenses) higher than the Final Offer Price; and/or*
- ii. Believe that the current market price of the Shares may decrease; and/or*
- iii. Believe that even if the Company remains listed, trading liquidity may reduce materially; and/or*
- iv. Believe that a higher offer may not be made; and/or*
- v. Are uncertain of the longer term performance and prospects of the Company, either on status quo basis or under the stewardship of the Offeror,*

that such Shareholders may wish to consider selling a portion or all of their Shares in the open market or tendering Shares pursuant to the Revised Offer. If the Independent Directors make a recommendation to Shareholders to tender Shares in acceptance of the Revised Offer or sell Shares in the open market, the Independent Directors may also wish to consider highlighting that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Revised Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, inter alia, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

The Independent Directors may also wish to consider advising Shareholders who:

- i. Do not currently wish to realise their investments in the Company; and/or*
- ii. Believe that the current market price of the Shares may increase; and/or*
- iii. Believe that a higher offer may be made³; and/or*
- iv. Believe that there may be material incremental value to be realised in the future as a result of initiatives being executed by the Company; and/or*
- v. Hold a favourable view of the Company's prospects and believe that they will be able to realise greater value from continuing to own their Shares,*

that such Shareholders may wish to consider retaining a portion or all of their Shares. If the Independent Directors make a recommendation to Shareholders to retain their Shares, the Independent Directors may also wish to consider highlighting that there is no assurance that the prices of the Shares will remain at current levels after the close or lapse of the Revised Offer; and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, inter alia, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

Furthermore, the Independent Directors may wish to consider advising Shareholders who are considering retaining a portion or all of their Shares, that in the event the Company is delisted, such Shareholders would hold Shares in an unquoted company. We note that the Offeror's preference, as according to the Revised Offer Announcement, is to delist the Company, although it has no obligation to do so.

³ We note that CapitalLand has announced that they will not revise the Final Offer Price. As such, any higher offer would have to be made by another party.

7.4 Recommendation of the Independent Directors. The Independent Directors, having reviewed and carefully considered the revised terms and conditions of the Offer and the advice given by the IFA to the Independent Directors in the Supplemental IFA Letter, concur with the advice of the IFA in respect of the Offer that, as at 16 May 2014, being the Latest Practicable Date, the revised terms and conditions of the Offer are fair and reasonable from a financial point of view in the context of a non-change of control transaction.

The Independent Directors note that the IFA has considered the factors in favour of the Final Offer Price as set out in Section 8.1 of the Supplemental IFA Letter and the factors against the Final Offer Price as set out in Section 8.2 of the Supplemental IFA letter, in the context of a non-change of control transaction. The Independent Directors wish to highlight that the IFA notes that the factors in favour of the Final Offer Price outweigh in number the factors against the Final Offer Price. In particular, the IFA has noted that the Final Offer Price's valuation ratios are higher than the mean and median of the Comparable Companies (as defined in the Supplemental IFA Letter) which reflect the current market valuation of the Singapore and China property sectors and are higher than the mean and median of the Singapore Property Precedent Transactions (as defined and explained in the Supplemental IFA Letter) which reflect the premiums paid previously for property privatisation transactions.

Shareholders who:

- i. Wish to realise their investments in the Company at this time but are unable to sell their Shares in the open market at a price (after deduction of related expenses) higher than the Final Offer Price; and/or**
- ii. Believe that the current market price of the Shares may decrease; and/or**
- iii. Believe that even if the Company remains listed, trading liquidity may reduce materially; and/or**
- iv. Believe that a higher offer may not be made; and/or**
- v. Are uncertain of the longer term performance and prospects of the Company, either on status quo basis or under the stewardship of the Offeror,**

may wish to consider selling a portion or all of their Shares in the open market or tendering Shares pursuant to the Offer. The Independent Directors wish to highlight that Shareholders who tender Shares in acceptance of the Offer or sell Shares in the open market, should note that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

Shareholders who:

- i. Do not currently wish to realise their investments in the Company; and/or**
- ii. Believe that the current market price of the Shares may increase; and/or**
- iii. Believe that a higher offer may be made⁵; and/or**

⁵ The Independent Directors note that the Offeror Financial Advisors have announced for and on behalf of the Offeror, that the Offeror will not revise the Final Offer Price. As such, any higher offer would have to be made by another party.

- iv. Believe that there may be material incremental value to be realised in the future as a result of initiatives being executed by the Company; and/or
- v. Hold a favourable view of the Company's prospects and believe that they will be able to realise greater value from continuing to own their Shares,

may wish to consider retaining a portion or all of their Shares. The Independent Directors wish to highlight that Shareholders who retain their Shares, should note that there is no assurance that the prices of the Shares will remain at current levels after the close or lapse of the Offer; and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

The Independent Directors also wish to highlight to Shareholders who are considering retaining a portion or all of their Shares that in the event the Company is delisted, such Shareholders would hold Shares in an unquoted company. The Independent Directors note that the Offeror's preference, according to the Offer Revision Announcement, is to delist the Company, although it has no obligation to do so. The Independent Directors also wish to draw Shareholders' attention to Section 7.8.1 of the Supplemental IFA Letter, wherein the IFA has highlighted that as the Offer is unconditional, even if the Shares are not delisted, any increase in the Offeror's shareholdings in the Company will reduce the free float of the Company, which is likely to reduce the future liquidity of the Shares in the market.

7.5 No Regard to Specific Objectives. In making their recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

7.6 General. Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether to accept or reject the Offer. Shareholders should note that the IFA's opinion and advice should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Accepting the Offer. Shareholders who wish to accept the Offer must do so **not later than 5.30 p.m. on 9 June 2014**, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Shareholders should refer to Section 13 of the Offer Revision Announcement and Appendix 2A (in the case of Singapore Registered Shareholders and CDP Depositors) and Appendix 2B (in the case of Hong Kong Registered Shareholders) to the Offer Document, and the Acceptance Forms for the procedures for acceptance of the Offer.

Shareholders who have earlier accepted the Offer and have not withdrawn their acceptances within the Withdrawal Period will receive the Final Offer Price per Offer Share.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document and the Acceptance Forms which have been sent to them.

- 8.2 Hong Kong Registered Shareholders/Overseas Shareholders.** Hong Kong Registered Shareholders and Overseas Shareholders should refer to Section 13.1 of the Offer Revision Announcement for more information relevant to them.
- 8.3 CPFIS/SRS Investors.** Investors who purchased Shares under the Central Provident Fund Investment Scheme (“**CPFIS**”, and such investors, “**CPFIS Investors**”) or the Supplementary Retirement Scheme (“**SRS**”, and such investors, “**SRS Investors**”) should refer to Section 13.2 of the Offer Revision Announcement for more information relevant to them.
- 8.4 Other Investors.** Investors who hold Shares on a scripless basis via CDP through a “securities sub-account” (such as through a nominee company, i.e., not in your own name) or through CCASS should refer to Section 13.3 of the Offer Revision Announcement for more information relevant to them.

9. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Supplemental Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Supplemental Letter (other than the Supplemental IFA Letter) are fair and accurate and they confirm, after having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Supplemental Letter (other than the Supplemental IFA Letter) have been arrived at after due and careful consideration and there are no other facts not contained in this Supplemental Letter, the omission of which would make any statement in this Supplemental Letter misleading.

Where any information in this Supplemental Letter has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document, the Offer Revision Announcement and the Revision Notification), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Supplemental Letter.

In respect of the Supplemental IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate.

The Directors jointly and severally accept full responsibility accordingly.

Yours faithfully
For and on behalf of the
Board of Directors

Dr Loo Choon Yong
Lead Independent Non-Executive Director

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

LETTER FROM DEUTSCHE BANK TO THE INDEPENDENT DIRECTORS

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APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

LETTER FROM DEUTSCHE BANK TO THE INDEPENDENT DIRECTORS

23 May 2014

To: The Independent Board Committee
CapitaMalls Asia Limited
39 Robinson Road
#18-01 Robinson Point
Singapore 068911

Dear Sirs,

REVISION OF VOLUNTARY CONDITIONAL CASH OFFER

For the purpose of this letter, capitalised terms not otherwise defined in this letter shall have the same meanings given to them in the supplemental letter to Shareholders issued by the Company to its shareholders dated 23 May 2014 in relation to the Offer (the “Supplemental Letter on the Revised Offer”) and the offer document issued by the Offeror to the Company’s shareholders dated 28 April 2014 (the “Offer Document”) in relation to the Offer.

1. INTRODUCTION

On 14 April 2014 (the “Offer Announcement Date”), Credit Suisse and Morgan Stanley announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer to acquire all the issued Shares, other than the 65.3% of the total number of issued Shares already owned by the Offeror at S\$2.22 in cash (the “Offer Price”) for each Share (the “Offer”). This Offer Price was adjusted for the FY2013 Final Dividend of S\$0.0175 per Share to S\$2.2025 per Offer Share (the “Net Offer Price”).

On 16 May 2014, Credit Suisse and Morgan Stanley, for and on behalf of the Offeror, issued an announcement (the “Offer Revision Announcement”) that the Offeror has revised (the “Revised Offer”) the offer price to S\$2.35 (the “Final Offer Price”).

Deutsche Bank AG, Singapore Branch (“Deutsche Bank”) has been appointed by the Company as the independent financial adviser (the “IFA”) to the Directors who are considered independent (the “Independent Directors”) for the purpose of making a recommendation to the Shareholders in respect of the Revised Offer.

This letter sets out, *inter alia*, our evaluation of the financial terms of the Revised Offer and our advice thereon. It forms part of the Supplemental Letter on the Revised Offer and the recommendations of the Independent Directors in respect of the Revised Offer.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

2. TERMS OF REFERENCE

Deutsche Bank has been appointed to advise the Independent Directors on the Revised Offer, from a financial point of view, in compliance with the Singapore Code on Take-overs and Mergers (the “Code”). We make no representations or warranties in relation to the merits or risks (if any) of the Revised Offer other than to form an opinion for the purposes of Rules 7.1 and 24.1(b) of the Code. We have limited our evaluation to the terms of the Revised Offer from a financial point of view and have not taken into account the strategic, commercial or financial risks or merits of the Revised Offer. Our terms of reference do not require us to evaluate or comment on the strategic or long-term commercial merits of the Revised Offer or on the prospects of the Group (i.e. the Company, its subsidiaries and associated companies) or any of its respective related companies (as defined in the Companies Act). Such evaluations or comments remain the responsibility of the Directors and management of the Company. However, we have drawn upon the views of the Directors and management of the Company in arriving at our views. We were also not requested or authorised to solicit any indications of interest from any third party with respect to the Shares (an “Alternative Offer”). We are not addressing the relative merits of the Revised Offer as compared to any alternative transaction previously considered by the Company (or the Shareholders), or that otherwise may become available to the Company (or the Shareholders) currently or in the future, or as compared to any Alternative Offer that might otherwise be available.

We have held discussions with certain Directors and the management of the Company and have examined information provided by the Directors, the management, employees and advisors of the Company, information set out in the Supplemental Letter on the Revised Offer and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and have assumed its truth, accuracy, completeness and adequacy. Accordingly, we cannot and do not make any representation or warranty (express or implied) in respect of, and do not accept any responsibility for, the truth, accuracy, completeness or adequacy of such information. We have nevertheless made enquiries and used our judgement as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated detailed supervision of the Supplemental Letter on the Revised Offer) that they collectively and individually accept full responsibility for the accuracy and completeness of the information given in the Supplemental Letter on the Revised Offer (other than this letter) and confirm after making all reasonable enquiries and to the best of their respective knowledge and belief, that the facts stated and all opinions expressed in the Supplemental Letter on the Revised Offer are true, complete, fair and accurate in all material aspects and that no material facts have been omitted from the Supplemental Letter on the Revised Offer, such omission of which would make any statement in the Supplemental Letter on the Revised Offer misleading.

We have relied upon valuation reports provided by independent professional valuers, including CBRE Pte. Ltd., Colliers International (Hong Kong) Limited, DTZ Debenham Tie Leung International Property Advisers (Shanghai) Co., Ltd., DTZ Debenham Tie Leung Kabushiki Kaisha, Knight Frank Petty Limited and PPC International Sdn Bhd (collectively, the “Valuation Reports”) and a copy of each of the Valuation Reports was reproduced in Appendix 7 to the circular to Shareholders dated 9 May 2014 (the “Circular”) in relation to the Offer. With respect to such Valuation Reports, we are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on these Valuation Reports for such asset appraisal and have not made any independent verification of the contents thereof in respect of the assets held by the Group and its subsidiaries nor have we evaluated the solvency of the Group under any applicable laws relating to bankruptcy, insolvency or similar matters. We have not made an independent evaluation or appraisal of the assets and liabilities of the Group and we have not been furnished with any such evaluation or appraisal, except for the Valuation Reports as stated above.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us as described above.

In addition, we have assumed that the Revised Offer will be consummated in accordance with the terms set forth in the Offer Document and Offer Revision Announcement without any waiver, amendment or delay of any terms or conditions and that no conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer.

Furthermore, our terms of reference do not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company or any of its respective related or associated companies, or express, and we do not express, an opinion on the future growth prospects of the Company, or any of its respective related or associated companies. We are therefore not expressing any opinion herein as to the future financial or other performance of those companies.

Our opinion, as set out in this letter, is based upon the financial, market, economic, industry, monetary, regulatory and other prevailing conditions on, and the information made available to us, as of 16 May 2014 (the "Latest Practicable Date"). We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion contained herein. Shareholders of the Company should take note of any announcement relevant to their consideration of the Revised Offer which may be released by or on behalf of the Company or the Offeror after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or individual circumstances of any Shareholder. As different Shareholders would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

This letter and our opinion are solely for the use and benefit of the Independent Directors in connection with and for the purpose of their consideration of the Revised Offer, and the recommendation made by them to the Shareholders shall remain the responsibility of the Independent Directors. This letter is not addressed to and may not be relied upon by any third party including, without limitation, Shareholders, holders of options or awards issued by the Company, employees or creditors of the Company. This letter does not constitute a recommendation to any Shareholder as to whether such Shareholder should accept or reject the Revised Offer or any other matter.

The Company has been separately advised by its own professional advisors in the preparation of the Supplemental Letter on the Revised Offer (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Supplemental Letter on the Revised Offer (other than this letter).

Accordingly, we take no responsibility for, and express no views, express or implied, on the contents of the Supplemental Letter on the Revised Offer (other than this letter).

A copy of this letter will be reproduced in the Supplemental Letter on the Revised Offer. However, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Offer, at any time or in any manner without the prior written consent of Deutsche Bank.

Our opinion in relation to the Revised Offer should be considered in the context of the entirety of this letter and the Supplemental Letter on the Revised Offer.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

3. THE REVISED OFFER

The following has been extracted from sections 2 to 4 of the Offer Revision Announcement and is set out in italics below. **Shareholders are advised to read the relevant sections of the Offer Revision Announcement, as extracted below, carefully.**

“2. Revision of the Offer Price

2.1 Final Offer Price

The Joint Financial Advisers wish to announce, for and on behalf of the Offeror, that the Offeror is revising the Offer Price as follows:

For each Offer Share: S\$2.35 in cash (“Final Offer Price”)

The Offeror will not further revise the Final Offer Price.

The Offer Shares will be acquired:

- (i) fully paid;*
- (ii) free from all Encumbrances; and*
- (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by CMA on or after the Offer Announcement Date, with the exception of the FY2013 Final Dividend approved by the Shareholders at the annual general meeting of CMA held on 17 April 2014 and which will be paid to the Shareholders on or about 16 May 2014.*

If any Distribution (other than the FY2013 Final Dividend) is announced, declared, paid or made by CMA on or after the Offer Announcement Date, and the Offeror is not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offer Price payable in respect of such Offer Share will be reduced by the amount of such Distribution.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

2.2 *Financial Evaluation of the Final Offer Price*

The Final Offer Price of S\$2.35 per Offer Share represents the following premium over the prices of the Shares traded on the SGX-ST on the Last Trading Day (as defined below) and over the following periods and the unaudited consolidated net asset value (“NAV”) per Share of the CMA Group as at 31 March 2014:

<i>Reference Date/Period</i>	<i>Reference Price</i>	<i>Adjusted Reference Price</i>	<i>Final Offer Price Premium to the Adjusted Reference Price</i>
<i>Last traded price per Share on 11 April 2014, being the last full trading day of the Shares on the SGX-ST immediately preceding the Offer Announcement Date (the “Last Trading Day”)</i>	S\$1.805	S\$1.788	31.5%
<i>Volume weighted average price (“VWAP”) per Share for the one-month period prior to and including the Last Trading Day</i>	S\$1.748	S\$1.731	35.8%
<i>VWAP per Share for the three-month period prior to and including the Last Trading Day</i>	S\$1.769	S\$1.752	34.2%
<i>Unaudited consolidated NAV per Share of the CMA Group as at 31 March 2014</i>	S\$1.871	S\$1.853	26.8%

3. *Waiver of Acceptance Condition*

As stated in the Offer Document, the Offeror reserves the right to waive the Acceptance Condition or reduce such condition to a level below more than 90% (but in any event above 50%) of the voting rights attributable to all Shares in issue as at the close of the Offer, subject to the approval of the SIC.

CapitaLand already held approximately 65.3% of CMA Shares in issue as at the Offer Announcement Date and as at the date of this Announcement, the Offeror and its Concert Parties hold approximately 70.4% of CMA Shares in issue. The Offeror has obtained the consent of the SIC to waive the Acceptance Condition, subject to the revised Offer remaining open for another 14 days following the date of posting of the written notification of revision and the Shareholders who have accepted the initial Offer being permitted to withdraw their acceptances within eight (8) days of the notification of the revision, i.e. within eight (8) days from the date of this Announcement (“Withdrawal Period”).

Accordingly, the Joint Financial Advisers wish to announce, for and on behalf of the Offeror, that the Offeror is waiving the Acceptance Condition.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

4. Offer Declared Unconditional

4.1 Offer Declared Unconditional. *As the Acceptance Condition is waived, and the Offer is not subject to any other conditions, the Offer is hereby declared unconditional in all respects.*

4.2 Settlement. *Appropriate payment to the Shareholders who have:*

- (i) validly accepted the Offer on or before the date of this Announcement; and*
 - (ii) not withdrawn their acceptances within the Withdrawal Period,*
- will be made within 10 days of this Announcement.*

Shareholders who have earlier accepted the Offer and have not withdrawn their acceptances within the Withdrawal Period will receive the Final Offer Price per Offer Share.”

4. INFORMATION ON THE COMPANY

Please refer to Appendix 2 to the Circular for information and further disclosures on the Company.

5. INFORMATION ON THE OFFEROR AND ITS PARENT, CAPITALAND

Please refer to Appendix 3 to the Circular for information and further disclosure on the Offeror and Capitaland.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

6. RATIONALE FOR THE OFFER

The following has been extracted from section 7 of the Offer Document and is set out in italics below. **Shareholders are advised to read the relevant section of the Offer Document, as extracted below, carefully.**

“7. RATIONALE FOR THE OFFER

The intention of the Offer is to delist CMA and fully integrate it into the CapitaLand Group.

The Offer presents an opportunity for Shareholders to realise their investment in the Shares at a premium of 27.0% to the one-month VWAP of the Shares traded on the SGX-ST prior to the Offer Announcement Date and a premium of 20.7% to the NAV per Share of the CMA Group as at 31 December 2013.

The Offer also allows CapitaLand to achieve the following key objectives:

Fully integrating CMA significantly enhances CapitaLand’s competitive strengths in integrated developments

The ‘One CapitaLand’ strategy seeks to harness the key strengths of its various business units to create differentiated real estate projects and enhance overall project returns. The development of integrated projects is core to the CapitaLand Group’s business strategy, as evidenced by its many highly successful integrated projects such as its Raffles City projects in Singapore and China. The individual components of an integrated development complement one another to increase the overall attractiveness of the project. For example, the pre-sales of residential units help fund development costs and improve project cash flows whilst mall connectivity enhances the appeal to commercial tenants and serviced residence customers. Malls in integrated developments are likely to enjoy higher foot traffic and a captive catchment from integrated offices and serviced residences. CapitaLand’s integrated developments are typically situated within close proximity to a major transportation hub, providing incremental foot traffic.

Delisting CMA enables greater alignment between CapitaLand’s and CMA’s business strategies by focusing resources on highest overall project returns. This strategy is expected to confer benefits including improving sourcing of opportunities, streamlining of operations and greater resource accessibility and mobility across strategic business units. CapitaLand will continue to grow its shopping mall business.

Simplify CapitaLand Group’s organisational structure

The Offer reinforces CapitaLand’s strategy to streamline the CapitaLand Group’s organisational structure as the delisting of CMA removes one “listed developer” layer. The CapitaLand Group will benefit from a clearer structure – with a single listed developer integrated across all asset classes, and five key listed real estate investment trusts (“REITs”) for capital recycling. This provides investors with a clear investment proposition as the CapitaLand Group will have a good balance between recurring income from REITs and investment properties, and development income from its development activities. Reduced organisational complexity would also provide sharper focus for the CapitaLand Group’s operations and enhance competitiveness.

Increase CapitaLand's financial flexibility and scale

By delisting CMA, CapitaLand will have more flexibility to access and allocate capital across all of its strategic business units, enabling the CapitaLand Group to direct its resources across asset classes in a manner that best enhances shareholder returns. This is a significant competitive advantage for CapitaLand, given the large capital outlays required for integrated developments.

Increasing CapitaLand's ownership of CMA also expands the CapitaLand Group's scale. Its total assets increase by 13.4% on the basis of its effective share in its subsidiaries' assets as at 31 December 2013 on a pro forma basis. Furthermore, Singapore and China will continue to remain as the CapitaLand Group's core markets, constituting more than 80% of its effective share of total assets on a pro forma basis.

The combination of increased financial flexibility and scale allows the CapitaLand Group to better pursue business opportunities in its core markets.

Unlock shareholder value and achieve synergies

The transaction is expected to be immediately accretive for the CapitaLand shareholders. Based on the Offer terms, a full privatisation of CMA would raise the earnings per share of the CapitaLand Group for FY2013 by approximately 21.5% and improve the return on equity of the CapitaLand Group as at 31 December 2013 from 5.4% to approximately 6.7% on a pro forma basis.

As a listed entity, CMA has to incur listing, compliance and other related costs. If delisted, these costs would be saved and additional cost efficiencies would result from greater flexibility of mobilising services and resources among the CapitaLand Group's other unlisted strategic business units. Post-integration, CMA will have the flexibility to leverage on the capital base of the CapitaLand Group to optimise its funding costs and capitalise on growth opportunities.

Bring benefits to CMA's operations

CMA will be better positioned to face competitive threats as an integrated part of the CapitaLand Group due to:

- (i) increased financial strength as part of a larger group with greater access to, and ability to capitalise on, future development opportunities; and*
- (ii) greater focus on developing integrated projects as part of CapitaLand Group. CapitaLand believes that such positioning increases the overall demand for its projects and shopper traffic as CapitaLand's integrated projects such as Raffles City are often well connected to transportation hubs and brings shoppers from the residential, office and serviced residence components of the development."*

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

7. FINANCIAL ASSESSMENT OF THE REVISED OFFER

In evaluating the terms of the Offer, from a financial point of view, as at the Latest Practicable Date, we have considered the following factors:

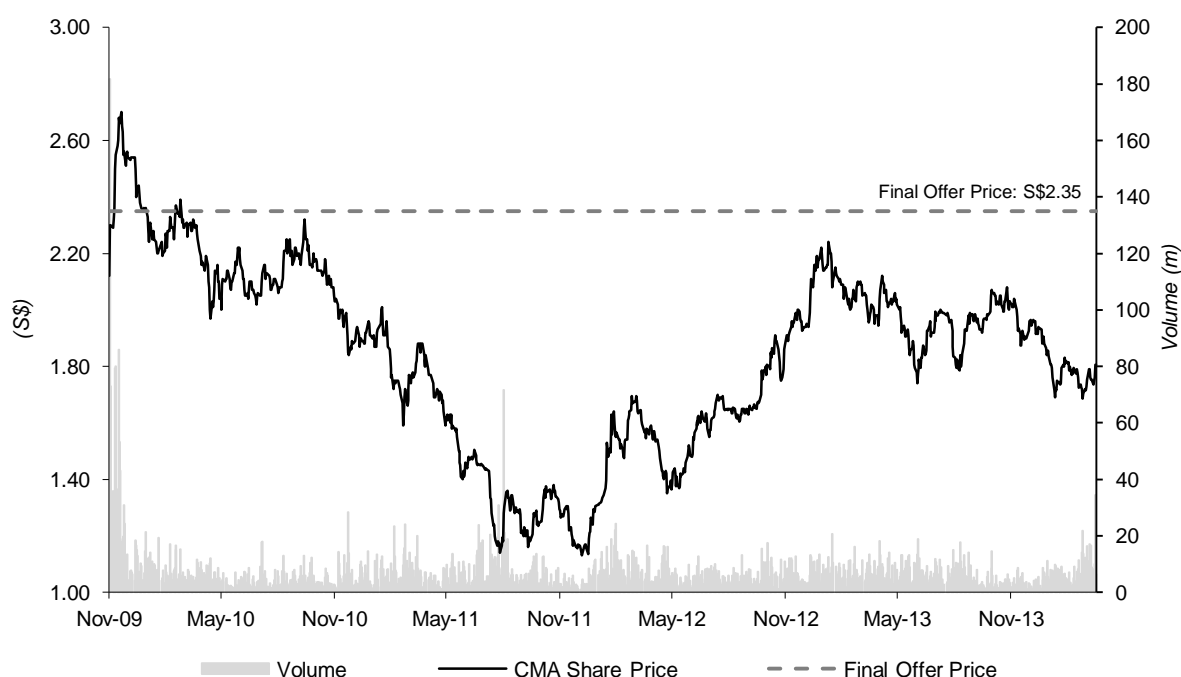
- 7.1 Historical share price performance of the Shares;
- 7.2 Historical share price performance relative to market indices;
- 7.3 Net asset value (“NAV”) and historical trailing NAV per share of the Group relative to the Final Offer Price;
- 7.4 Adjusted net asset value (“Adjusted NAV”) of the Group relative to the Final Offer Price;
- 7.5 Valuation multiples of selected Singapore-listed companies (“Singapore Comparable Companies”) and Hong Kong-listed companies (“Hong Kong Comparable Companies”) which are considered to be broadly comparable to the Company in limited aspects;
- 7.6 Recent offer transactions;
- 7.7 Brokers’ price target for the Shares; and
- 7.8 Other relevant considerations which have a significant bearing on our assessment.

7.1 Historical share price performance of the Shares

We have compared the Final Offer Price to the historical share price performance of the Shares over different observation periods prior to the Offer Announcement Date, and from the Offer Announcement Date up to the Latest Practicable Date.

We set out below in Exhibit 1, the daily last traded prices and daily trading volumes of the Shares from IPO up to and including the last trading day prior to the Offer Announcement Date being 11 April 2014 (“Last Trading Day”):

Exhibit 1: Share price performance since IPO



Source: Bloomberg, company filings, FactSet

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Selected announcements

Date	Announcement
25 November 2009	The Capital Group Companies, Inc acquires 34.0 million shares through open market purchases and becomes a major shareholder of CMA with a 5.37% stake
4 February 2010	CMA announces an agreement with Chengdu Vanke Property Co., Ltd to acquire CapitaMall Meilicheng in Chengdu, China, for RMB459.9 million (approximately S\$94.6 million)
9 February 2010	CMA announces that it has entered into a sale and purchase agreement with HSBC Institutional Trust Services (Singapore) Limited, the trustee of CapitaMall Trust, for the sale of Clarke Quay in Singapore for S\$268.0 million in cash
8 March 2010	CMA announces that it has acquired a 100% stake in CapitaMall Tianfu, an integrated development which also includes residential and office components, in Chengdu, China from CapitaRetail China Developments II (BVI) Limited, an indirect associated company of CMA. Cash consideration was RMB554.2 million (approximately S\$114.0 million). This is CMA's fifth mall in the provincial capital
12 April 2010	CMA announces that CapitaMalls Asia Treasury Limited, its wholly-owned subsidiary, has established a S\$2.0 billion Euro-Medium Term Note Programme. Net proceeds arising from the issue of Notes will be used for the purpose of refinancing existing borrowings and financing the investments and general corporate purposes of the CMA Group
5 July 2010	CMA announces that Gurney Plaza Sdn. Bhd. has exercised the put option granted to it by CapitaRetail Gurney Sdn. Bhd., a wholly-owned subsidiary of CMA, to require CapitaRetail Gurney to purchase and complete the acquisition of Gurney Plaza Extension in Penang, Malaysia and certain car park bays for an aggregate purchase consideration of RM215.0 million (approximately S\$91.5 million)
16 July 2010	IPO of CapitaMalls Malaysia Trust ("CMMT"), a Bursa Malaysia-listed REIT sponsored by CMA which invests in income-producing real estate primarily used for retail purposes and located primarily in Malaysia. The IPO raised RM785.2 million
24 August 2010	CMA announces that CapitaMalls Asia Treasury Limited, a wholly-owned subsidiary of the Company, issued unrated S\$350.0 million 3.95% Fixed Rate Notes, under the S\$2.0 billion Euro-Medium Term Note Programme
6 September 2010	CMA announces successful joint tender with CapitaLand for the Bedok Town Centre site in Singapore. The tender price for the site is S\$788.9 million, and CMA holds a 50% stake in the joint venture. The site has since been developed into Bedok Mall, with development of Bedok Residences on-going
8 November 2010	CMA announces that it has entered into a conditional agreement with Beatles Holding Limited, a party unrelated to CMA, to obtain an effective 66% interest in an integrated development comprising a prime shopping mall and office tower at Luwan in Huangpu District in Shanghai, China through their joint venture in Abbey Road Limited
26 November 2010	CMA announces S\$1.6 billion 5-year syndicated credit facilities for the refinancing of ION Orchard
22 December 2010	CMA announces it is acquiring Queensbay Mall in Penang, Malaysia for approximately RM658.3 million (S\$275.6 million), including acquisition costs. This is the Company's second mall in the city
30 December 2010	CMA announces that it has entered into a Deed of Sale and Purchase to acquire an 17.1% shareholding interest in Raffles City Changning, an integrated development located in Shanghai, China for S\$187.2 million. This is the Company's sixth mall in the city
6 January 2011	CMA announces that its wholly-owned subsidiary, CapitaMalls Asia Treasury Limited, is offering for subscription up to S\$200.0 million in principal amount of 1-year bonds and 3-year bonds to the public in Singapore. The public offer was later about 1.82 times subscribed
26 February 2011	CapitaMall Trust Management Limited ("CMTML"), the manager of CapitaMall Trust ("CMT") – a Singapore Exchange-listed REIT sponsored by CMA – announces that HSBC Institutional Trust Services (Singapore) Limited, the trustee of CMT, has entered into a sale and purchase agreement on CMT's behalf to acquire Bugis+ in Singapore. The purchase consideration is S\$295.0 million. CMT invests in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore
6 May 2011	CapitaRetail China Trust Management Limited, the manager of CapitaRetail China Trust ("CRCT") – a Singapore Exchange-listed REIT sponsored by CMA – announces that HSBC Institutional Trust Services (Singapore) Limited, the trustee of CRCT, has entered into an agreement to acquire CapitaMall Minzhongleyuan in Wuhan, China, on CRCT's behalf. The agreed property price is RMB395.0 million (approximately S\$76.0 million). CRCT is established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau
24 May 2011	CMA announces the conversion of its CapitaRetail China Development Fund to CapitaMalls China Income Fund, and the upsize of this fund by 50% to US\$900.0 million

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

30 May 2011	CMA announces successful joint tender with CapitaLand and CapitaMall Trust for the Jurong Gateway site in Singapore. The tender price for the site is approximately S\$969.0 million, and CMA holds a 50% stake in the joint venture. The site is being developed into Westgate, an integrated development comprising a shopping mall and an office tower. The shopping mall, also named Westgate, is operational, while development of the office tower, named Westgate Tower, is on-going
14 June 2011	CapitaMalls Malaysia REIT Management Sdn. Bhd., the manager of CMMT, announced that AmTrustee Berhad, the trustee of CMMT, has entered into a conditional sale and purchase agreement to acquire East Coast Mall in Kuantan, Malaysia, on CMMT's behalf. Total acquisition cost is RM330.0 million, including acquisition fee and expenses
20 July 2011	The Capital Group Companies, Inc ceases to be a major shareholder of CMA through a series of transactions in the open market. Its stake in CMA is reduced from 5.81% to 4.95%
18 August 2011	CMA acquires the remaining 50% stakes in Minhang Plaza and Hongkou Plaza in Shanghai, China for US\$262.6 million (approximately S\$316.0 million) and US\$526.4 million (approximately S\$633.7 million) respectively. Post transaction, CMA has effective stakes of 65.0% and 72.5% in Minhang Plaza and Hongkou Plaza respectively
29 September 2011	CMA announces that it has entered into a conditional agreement with Suzhou Industrial Park Jinji Lake Urban Development Co., Ltd. to jointly develop an integrated project, comprising the largest shopping mall in East China and two office towers, in Suzhou, China – its first in the city. Total development cost is expected to be about RMB6,740.0 million (approximately S\$1,275.0 million). CMA has a 50% stake in the joint venture
18 October 2011	Secondary listing of CMA by introduction on the Main Board of the Stock Exchange of Hong Kong Limited
29 November 2011	CMA and CapitaLand announce that, together with Singbridge Holdings Pte. Ltd., they have been awarded the Chao Tian Men site in Chongqing, China at RMB6,536.0 million (approximately S\$1,282.8 million) through tender. The site is being developed into an integrated development named Raffles City Chongqing, comprising a shopping mall and eight towers for residential, office, serviced residence and hotel use. Including land cost, total development cost is expected to be approximately RMB21.1 billion (S\$4.1 billion). CMA has a 25% stake in the joint venture, and this is its third mall in the city
3 January 2012	CMA announces that its wholly-owned subsidiary, CapitaMalls Asia Treasury Limited, is offering for subscription up to S\$200.0 million in principal amount of callable step-up bonds due 2022. Following strong demand, the offer was later upsized to S\$400.0 million. The initial public offer tranche of S\$100.0 million was approximately 4.65 times subscribed, while the initial placement offer of S\$100.0 million is more than two times subscribed
20 February 2012	CMA announces that it has acquired the remaining 73.71% stakes in three malls in Japan – La Park Mizue in Tokyo, Izumiya Hirakata in Osaka and Coop Kobe Nishinomiya-Higashi in Hyogo, through CMA Japan Trust. On a 100% basis, the total investment cost for the three assets is approximately JPY13.2 billion (S\$217.4 million)
25 April 2012	CMA announces that it has signed a conditional agreement to acquire a site to develop CapitaMall Tiangongyuan in Beijing, China – its first in the capital's up-and-coming south region. Total development cost is expected to be approximately RMB2,343.0 million (S\$469.2 million)
3 May 2012	CMTML announces that CMT has awarded a tender to Oxley Bloom Pte. Ltd. for the sale of Hougang Plaza in Singapore for a consideration of S\$119.1 million in cash
9 May 2012	CMA announces that it has entered into a conditional agreement with Sime Darby Property Berhad to jointly develop Melawati Mall on prime land in the Taman Melawati commercial area north-east of Kuala Lumpur, Malaysia. Total development cost is expected to be approximately RM670.0 million (S\$257.8 million). CMA has a 50% stake in the joint venture. This is its sixth mall in Malaysia
2 July 2012	CMA announces that it has established the US\$1.0 billion (approximately S\$1.3 billion) CapitaMalls China Development Fund III, a closed-end private equity fund sponsored by CMA to invest in the development of shopping malls in China. CMA holds a 50% stake in the fund. This is CMA's largest private equity fund to-date, and fourth fund focusing on China. The fund will have a fund life of eight years
29 July 2012	CMA announces that it has signed a conditional agreement to acquire a site to develop CapitaMall Xinduxin in Qingdao, China – its first in the city. Total development cost is expected to be approximately RMB1,457.0 million (S\$294.9 million)
29 July 2012	CMA announces that it has acquired Olinas Mall, one of the biggest and newest malls in Kinshicho, Sumida Ward of Tokyo, Japan at a purchase consideration of JPY22.8 billion (approximately S\$367.3 million)
17 August 2012	CMA announces that CapitaMalls Asia Treasury Limited, its wholly-owned subsidiary, intends to issue unrated S\$250.0 million 3.70% Fixed Rate Notes due 2022 under the S\$2 billion Euro-Medium Term Note Programme

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6 September 2012	CMA announces that it has signed an agreement to acquire CapitaMall 1818, the retail component on an integrated development which also includes residential and office components, in Wuhan, China. On a completed basis, total investment cost is expected to be approximately RMB1,156.0 million (S\$228.3 million)
15 January 2013	CMA announces that it has been awarded a prime site for a shopping mall at Gutian in Wuhan, China – its fourth in the provincial capital, which is a major transport and commercial hub in Central China. The site was awarded at a price of RMB660.0 million (approximately S\$128.4 million). Including land cost, the total development cost is expected to be approximately RMB2,800.0 million (S\$544.5 million)
15 April 2013	CMA announces the transfer of two China malls under development – CapitaMall 1818 in Wuhan and CapitaMall Xinduxin in Qingdao – to CapitaMalls China Development Fund III
15 July 2013	CMA announces that it has won a tender for CapitaMall Grand Canyon in Beijing, China at a price of RMB1,740.0 million (approximately S\$356.6 million) by tender. The mall – its tenth in the city – has since been acquired by CapitaRetail China Trust
17 July 2013	CMA announces the transfer of its effective 66% interest in an integrated development at Luwan in Huangpu District in Shanghai, China to CapitaMalls China Development Fund III
20 November 2013	CMA enters into a conditional agreement with Guangzhou Greenland Property Development Co., Ltd to acquire CapitaMall SKY+, the second phase of the retail component of Baiyun Greenland Centre, an integrated development located in Guangzhou, China for a purchase consideration of RMB2,191.4 million (approximately S\$442.4 million). On a completed basis, total investment cost is expected to be approximately RMB2,646.0 million (S\$534.1 million)
20 December 2013	CMA enters into a joint venture agreement with Changi Airport Group to jointly develop an iconic mixed-use development on the approximately 3.5 hectare car park site fronting Singapore Changi Airport Terminal 1. Codenamed Project Jewel, the development will offer a range of facilities for airport operations, retail offerings and leisure attractions. The total development cost is expected to be approximately S\$1.47 billion. CMA has a 49% stake in the joint venture, and this is the Company's 20 th mall in Singapore
23 January 2014	CMA enters into sale and purchase agreements for the sale of strata office units located on levels 6 to 25 at Westgate Tower for a total sale consideration of S\$579.4 million
14 April 2014	CMA receives a voluntary conditional cash offer of S\$2.22 per share from Capitaland with a view to delist CMA
17 April 2014	CMA announces that it has sold Ito-Yokado Eniwa mall in Hokkaido, Japan. After the sale, CMA has a portfolio of seven malls in four cities in Japan
16 May 2014	CMA receives revised unconditional cash offer of S\$2.35 per share from Capitaland

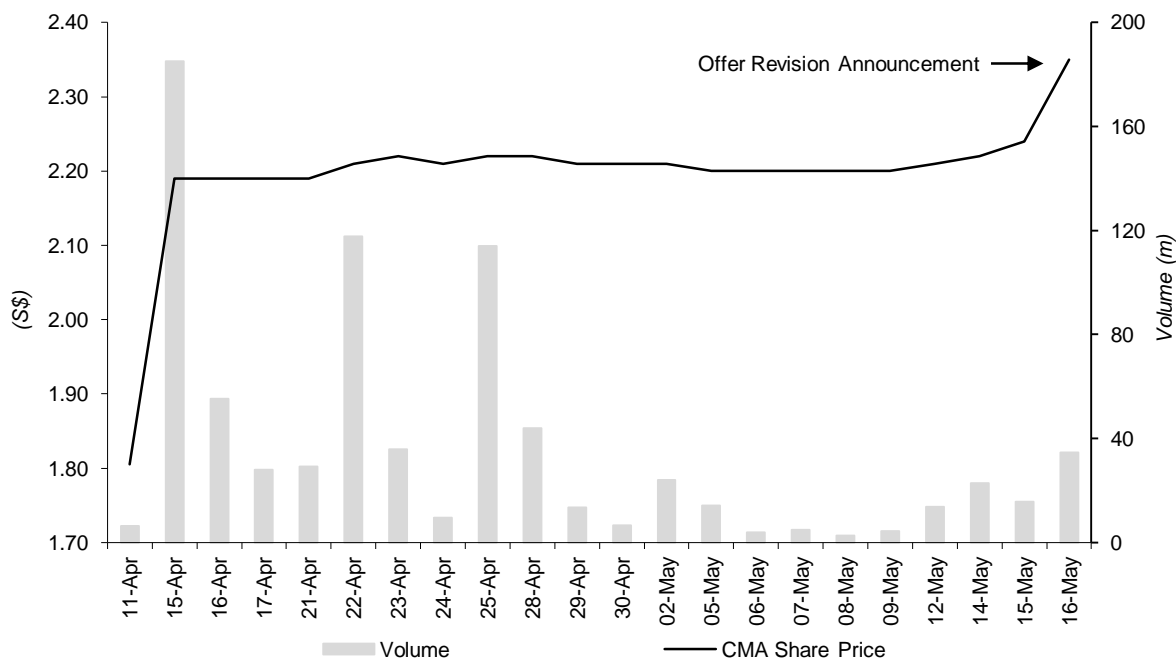
Based on Exhibit 1 above, we note the following:

- i. Over the last twelve months and up to the Last Trading Day, the last traded price of the Shares had been consistently below the Final Offer Price; and
- ii. The Final Offer Price is a premium of 10.8% to the IPO price of S\$2.12.

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We set out below in Exhibit 2 the daily last traded prices and daily trading volumes of the Shares for the period after the Offer Announcement Date up to and including the Latest Practicable Date:

Exhibit 2: Daily last traded price and daily trading volume of the Shares from the Last Trading Day up to the Latest Practicable Date



Source: Bloomberg

Based on Exhibit 2, we note that, from the Offer Announcement Date to the Latest Practicable Date, the prices of the Shares ranged between S\$2.19 and S\$2.36 and the total volume of Shares traded was approximately 779.1 million Shares, representing approximately 20.0% of the CMA's total outstanding Shares as at the Latest Practicable Date. We further note that from the Offer Announcement Date to the Latest Practicable Date, the Offeror purchased 224,752,000 Shares on the SGX-ST.

Based on Exhibit 2 above, we note the following:

- i. The last traded price of the Shares on the Last Trading Day was S\$1.805. On 15 April 2014 (being the Market Day after the Offer Announcement Date and the lifting of the trading halt), the price of the Shares rose to close at S\$2.19. On May 16, 2014, being the date of the Offer Revision Announcement, the price of the Shares rose to close at S\$2.35; and
- ii. Between the Offer Announcement Date and the Latest Practicable Date, the Offeror acquired a total of 224,752,000 Shares in the open market at prices ranging from S\$2.20 to S\$2.35 per Share. As at the Latest Practicable Date, the Offeror and its Concert Parties owned, controlled or has agreed to acquire an aggregate of 2,880,897,690¹ Shares representing approximately 73.9% of the share capital of the Company as at the Latest Practicable Date.

¹ Includes acceptances of 100,593,406 Shares which are subject to the Shareholders' Right of Withdrawal as outlined in section 3.1 in CapitaLand's Dealing Disclosure and Level of Acceptances for 16 May 2014

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We have also set out below in Exhibit 3 the premium implied by the Final Offer Price over the historical volume weighted average price (“VWAP”) and the historical trading volume of the Shares for the period since IPO up to and including the Last Trading Day and for the period after the Offer Announcement Date:

Exhibit 3: Premium/(Discount) implied by the Final Offer Price to VWAP

	VWAP (\$)	Premium / (Discount) of Final Offer Price over price (%)	Lowest last traded price (\$)	Highest last traded price (\$)	Average daily trading volume (million)	Average daily trading volume as percentage of free float (%)
Periods up to and including the Last Trading Day prior to the Offer Announcement Date						
Last traded price on the Last Trading Day	1.805	30.2%	1.805	1.805	6.3	0.5%
1-month	1.748	34.4%	1.685	1.805	11.6	0.9%
3-month	1.769	32.8%	1.685	1.930	7.9	0.6%
6-month	1.842	27.6%	1.685	2.080	5.9	0.4%
1-year	1.891	24.3%	1.685	2.120	6.5	0.5%
2-year	1.849	27.1%	1.350	2.240	6.5	0.5%
Since IPO	1.886	24.6%	1.130	2.700	7.3	0.5%
Periods after the Offer Announcement Date						
VWAP between Offer Announcement Date and the Latest Practicable Date	2.209	6.4%	2.190	2.350	37.1	2.7%
Last traded price on the Latest Practicable Date	2.350	0.0%	2.350	2.350	34.5	2.6%

Source: Bloomberg

Based on the above, we note the following:

- i. The Final Offer Price is at the upper end of the range of the daily last traded price of the Shares since IPO up to and including the Last Trading Day, which is between a low of S\$1.13 per Share and a high of S\$2.70 per Share;
- ii. The Final Offer Price represents a premium of approximately 30.2% over the last traded price on the Last Trading Day of S\$1.805;
- iii. The Final Offer Price represents a premium of approximately 34.4%, 32.8%, 27.6%, 24.3%, 27.1% and 24.6% over the 1-month, 3-month, 6-month, 1-year, 2-year, and since IPO VWAP of the Shares, respectively;
- iv. Between the Offer Announcement Date and the Latest Practicable Date, the Final Offer Price represents a premium of approximately 6.4% over the VWAP of the Shares of approximately S\$2.21. The Final Offer Price is equal to the last traded price of S\$2.35 on the Latest Practicable Date; and
- v. Between the Offer Announcement Date and the Latest Practicable Date, trading liquidity of the Shares rose significantly to an average daily trading volume of approximately 37.1 million Shares, representing approximately 2.7% of the Company’s free float, as compared to the average daily trading volume of approximately 6.5 million Shares over the 2-year period up to and including the Last Trading Day. Approximately 28.8% of the Shares traded during this period were attributable to open market purchases by the Offeror.

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Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or a promise of its future trading performance.

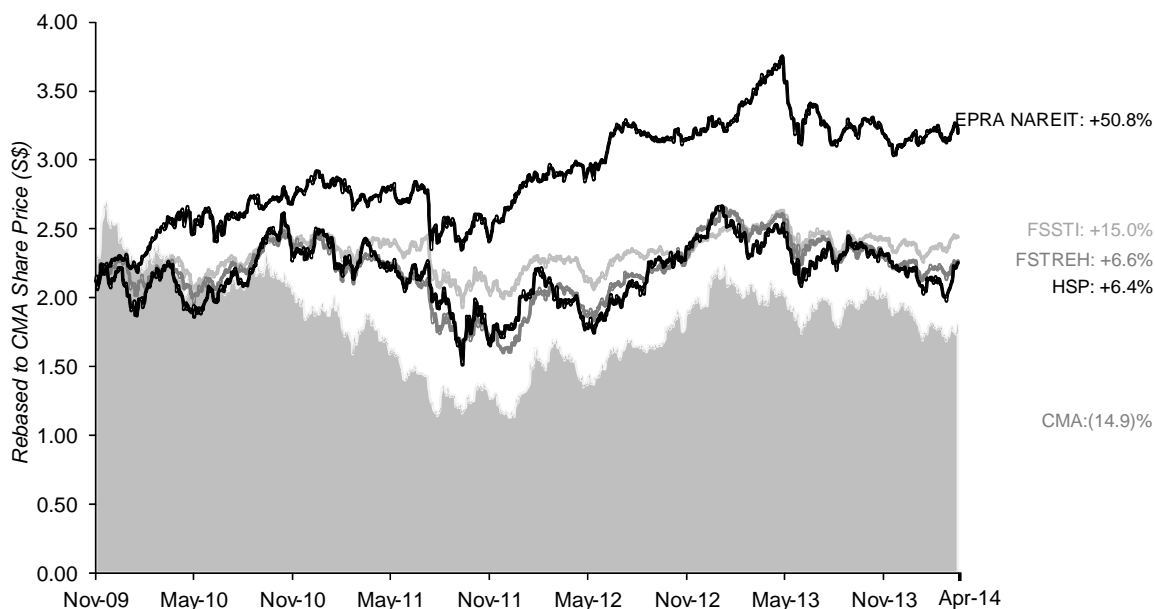
7.2 Historical share price performance relative to market indices

To gauge the market price performance of the Shares relative to the general share price performance of the Singapore equity market and of real estate companies listed on the SGX-ST, we have compared the market price movement of the Shares against the following indices:

- i. The FTSE Straits Times Index (the “FSSTI”), which is a market capitalisation weighted index based on stocks of 30 representative companies listed on the Mainboard of the SGX-ST;
- ii. The FTSE Straits Times Real Estate Holding & Development Index (the “FSTREH”), which is a market capitalisation weighted index that measures the performance of real estate holding and development companies listed on the Mainboard of the SGX-ST;
- iii. The Hang Seng Properties Index (“HSP”) is a capitalisation weighted index of all the stocks designed to measure the performance of the property sector of the Hang Seng Index; and
- iv. The FTSE EPRA/NAREIT Developed Index (“EPRA NAREIT”) is a free float adjusted market capitalisation weighted index measuring the performance of listed real estate companies and REITs worldwide.

The market price performance of the Shares relative to the rebased FSSTI, FSTREH, HSP and EPRA NAREIT since IPO up to and including the Last Trading Day, is illustrated below in Exhibit 4:

Exhibit 4: Share price performance against the market indices (rebased) between IPO and Last Trading Day

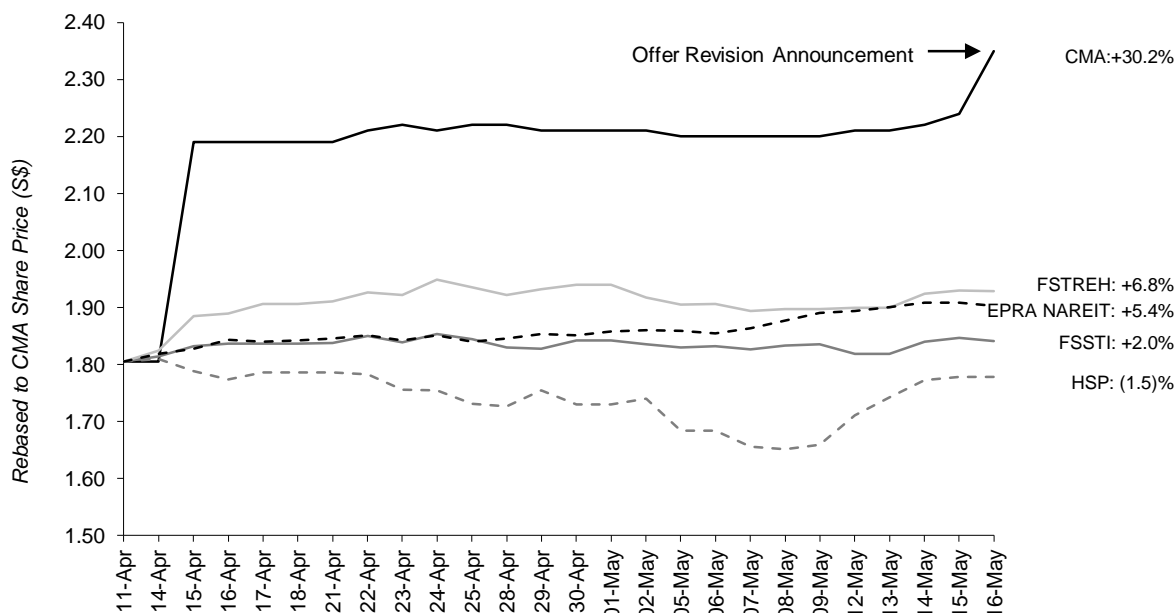


Source: Bloomberg

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We have also set out in Exhibit 5 below the market price performance of the last traded price of the Shares, the rebased FSSTI, FSTREH, HSP and EPRA NAREIT between the Last Trading Day and the Latest Practicable Date:

Exhibit 5: Share price performance against market indices (rebased) between Last Trading Day and Latest Practicable Date



Source: Bloomberg

Based on the above, we note the following:

- i. Between CMA's IPO in November 2009 and the Last Trading Day, its share price has generally under-performed the rebased FSSTI, the rebased FSTREH, the rebased HSP and the rebased EPRA NAREIT; and
- ii. Between the Last Trading Day and the Latest Practicable Date, CMA Shares significantly outperformed the rebased FSSTI, the rebased FSTREH, the rebased HSP and the rebased EPRA NAREIT, having increased 30.2% as compared to the increase of 2.0%, 6.8% and 5.4% for the rebased FSSTI, the rebased FSTREH and the rebased EPRA NAREIT and a decrease of 1.5% for the rebased HSP.

Based on the above observations, it appears likely that the market price and the trading volume of CMA Shares have been supported by the Offer subsequent to the Offer Announcement Date. As such, there is no assurance that the market price and trading volume of CMA Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close of the Offer.

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7.3 NAV and historical trailing NAV per share of the Group relative to the Final Offer Price

Based on the Company's reviewed financial statements as at 31 March 2014, the Group's investment properties, properties under development and investments in associates and jointly controlled entities have an aggregate book value of S\$9,446 million which represents approximately 83.5% of the Group's total assets of S\$11,312 million.

Based on the annual report for FY2013 and the reviewed financial statements for 1Q2014 of the Company, we note that:

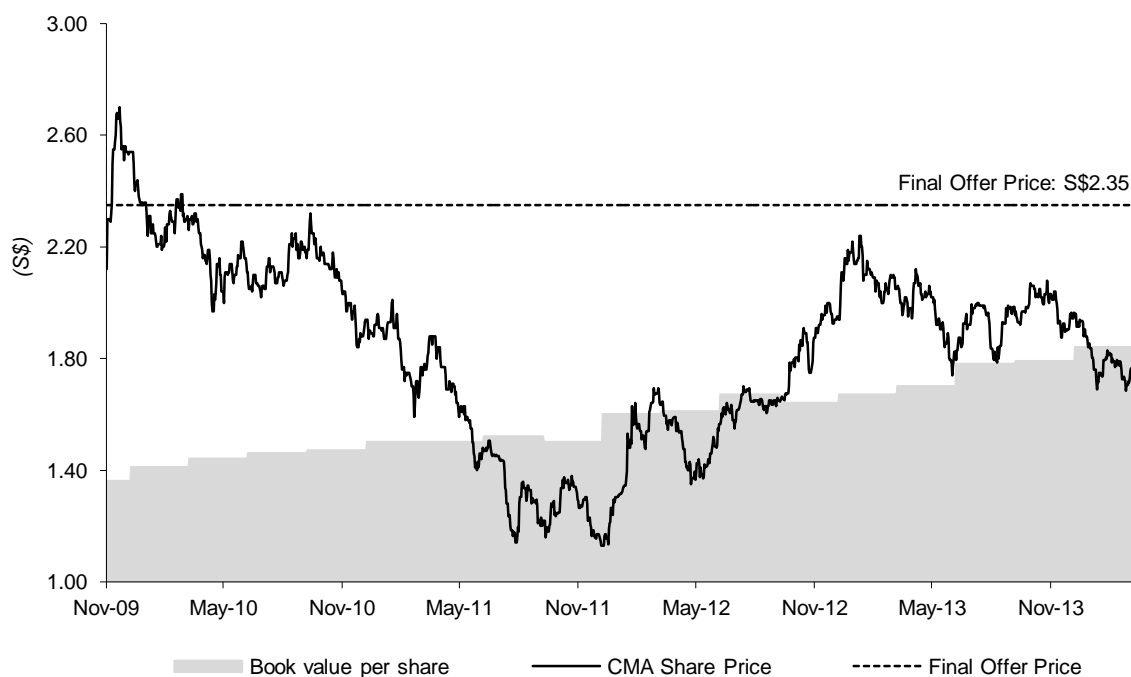
- i. The Final Offer Price represents a premium of approximately 25.7%, over the unaudited NAV per Share of the Company of S\$1.87 as at 31 March 2014;
- ii. The Final Offer Price represents a premium of approximately 27.7%, over the audited NAV per Share of the Company of S\$1.84 as at 31 December 2013; and
- iii. The Final Offer Price represents a premium of approximately 26.8%, over the unaudited NAV per Share adjusted for dividends of S\$1.85 as at 31 March 2014.

The Directors have confirmed to us that save as disclosed in the Circular, Supplemental Letter on the Revised Offer and in the ordinary course of business, there have been no material acquisitions and disposals of assets by the Company since 31 March 2014 up to the Latest Practicable Date. The Directors have also confirmed that save for the sale of residential properties in the ordinary course of its business, the Group does not have any plans for an impending material disposal and/or conversion of the use of the Group's assets and/or material change in the nature of the Group's business as at the Latest Practicable Date. We also note from the Offer Document that the Offeror has no present intention to (a) propose any major changes to the businesses; (b) redeploy the fixed assets; or (c) discontinue the employment of the employees of the Group.

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We have also compared the historical market price of the Shares, the Final Offer Price against the trailing NAV per Share (based on the Group's trailing announced NAV per Share for the applicable periods) since IPO up to and including the Last Trading Day prior to the Offer Announcement Date.

Exhibit 6: P/Book NAV since IPO



Source: Bloomberg, company filings

The mean, maximum and minimum daily premium or discount of the market price of the Shares to the corresponding NAV per Share for the various periods during the 1-year period up to and including the Last Trading Day is set out below:

Exhibit 7: Premium/(Discount) of historical market price over trailing NAV per Share

Periods up to and including the Last Trading Day	Premium/(Discount) to trailing NAV per Share		
	Mean	Maximum	Minimum
Since IPO	16.5%	98.5%	(29.4%)
1-year	7.4%	24.7%	(8.4%)
6-month	3.6%	16.2%	(8.4%)
3-month	(3.3)%	5.2%	(8.4)%
1-month	(5.7)%	(2.7)%	(8.4)%

Source: Bloomberg, company results announcement

From the above, we note that the Shares had traded between a premium and discount to the trailing NAV per Share since IPO up to and including the Last Trading Day, between a maximum premium of 98.5% to a maximum discount of 29.4%, with a mean of 16.5%. In contrast, the Final Offer Price represents a premium of approximately 25.7%, to the latest announced NAV per Share as at 31 March 2014.

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7.4 Adjusted NAV of the Group relative to the Final Offer Price

In connection with the Offer, we have relied on the revaluation estimates of certain development and investment properties as provided by the Company and the valuers to ascertain the Adjusted NAV of the Company.

In arriving at the Adjusted NAV of the Group, the following adjustments were made to the NAV as at 31 March 2014. We set out below in Exhibit 8 the type of adjustments and methodology:

Exhibit 8: Adjustments and methodologies

Type	Methodology
Development properties held for sale	
Development properties held for sale with contracted sales	For properties which are under development and have achieved some pre-sales to date but have not been recognised for accounting purposes, we have estimated profit based on percentage of construction completed to date Recognised S\$90 million of profit on Westgate Tower, as disclosed in the announcement on the sale dated 23 January 2014
Development properties held for sale having unsold stock	For properties that have been completed but have some unsold units, we have valued these properties by estimating the profit from unsold stock based on historical profitability
Investment properties	
Investment properties and properties under development	For the investment properties, valuers have valued the properties based on <i>inter alia</i> , capitalisation, market comparison and discounted cash flow methods Effective share of investment properties constituting >1% of CMA's total assets as at 31 March 2014 are deemed to be material and are subject to a revaluation exercise as at 2 May 2014. Valuation of other assets will be based on external valuation as at 31 December 2013
Listed entities under the property portfolio	
Listed entities	Listed entities have been valued based on their current market value of CMA's effective equity interests as at the Latest Practicable Date
Management Fee Business	
Management Fee Business	The Management Fee Business has been valued based on P/E, EV/EBIT and EV/AUM multiples of trading comparable companies and transaction precedents

We have placed sole reliance on such information provided to us by the Company's management and do not assume any responsibility to inquire about the bases of such valuations or if the contents thereof have been prepared in accordance with all applicable regulatory requirements including Rule 26 of the Code. In relying on financial analyses and estimates provided to us by the management of the Company, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the estimated future cash flows referred to above. We express no view as to such analyses or estimates or the assumptions on which they were based. Deutsche Bank has not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, expressed or implied, on the accuracy or completeness or adequacy of such information.

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Exhibit 9: Adjusted NAV of the Group

	Value (S\$m)	Value per share ^(a) (S\$)
Book net asset value as at 31 March 2014 ^(b)	7,291	1.87
Estimated profit from sale of residential properties and Westgate Tower ^(c)	143	0.04
Effective share of valuation gain of selected investment properties net of tax ^(d)	46	0.01
Excess of market value of listed entities over book value ^(e)	310	0.08
Excess of estimated market value of Management Fee Business over book value ^(f)	1,093 - 1,363	0.28 - 0.35
Adjusted valuation^(g)	8,883 - 9,153	2.28 - 2.35

(a) Based on shares outstanding of 3.898 million

(b) Based on CapitaMalls Asia 1Q 2014 results announcement

(c) Comprising i) Bedok Residences, ii) The Orchard Residences and iii) Westgate Tower

(d) Effective share of valuation gain net of tax attributable to CapitaMalls Asia based on independent valuation as at Latest Practicable Date

(e) Market value as at Latest Practicable Date of effective stakes held by CapitaMalls Asia in CapitaMall Trust (27.6%), CapitaRetail China Trust (26.2%) and CapitaMalls Malaysia Trust (36.2%) over carrying value of S\$2,264 million as at 31 March 2014

(f) Estimated market value of Management Fee Business range of S\$1,216 - 1,486 million less carrying value of S\$123 million as at 31 December 2013

(g) Not adjusted for FY2013 dividends

Source: Bloomberg, company filings, FactSet as at Latest Practicable Date

7.4.1 Estimated profit from sale of residential properties and Westgate Tower

	Already sold (S\$m)	Remaining units (S\$m)	Total (S\$m)
Bedok Residences	30.2 ^(a)	2.4 ^(b)	32.6
The Orchard Residences	-	20.0 ^(c)	20.0
Westgate Tower	90.0	n/a	90.0
Total	120.2	22.4	142.6

(a) Based on % completion of 53.3% and total profit recognised from inception to 31 March 2014 of S\$34.5 million, which implies total profit of S\$64.7 million on a 100% basis for the 562 units sold as at 31 March 2014

(b) Based on the mean profit per unit multiplied by the total unsold units as at 31 March 2014 (mean profit per unit calculated based on total profits of S\$64.7 million for the 562 units sold as of 31 March 2014, number of units unsold is 21 as at 31 March 2014)

(c) Based on S\$2.0 million profit recognised for 1 unit sold in 1Q2013 as stated in 1Q2013 results presentation multiplied by the total unsold units as at 31 March 2014 (as at 31 March 2014, 10 units remain unsold)

Source: Company filings, URA

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7.4.2 Effective share of valuation gain from selected investment properties net of tax

We set out below the effective share of valuation gain net of tax for each of the selected investment properties based on updated independent valuations as at the Latest Practicable Date.

Property	Effective stake (%)	Valuation (100% basis) as at 31 December 2013		Valuation (100% basis) as at Latest Practicable Date		Effective share of valuation gain (net of tax) (S\$m) ^(c)
		(LCYm)	(S\$m) ^(a)	(LCYm)	(S\$m) ^(b)	
Singapore						
ION Orchard	50.00%	3,012.0	3,012.0	3,044.0	3,044.0	16.0
Westgate (shopping mall)	58.29%	1,054.0	1,054.0	1,064.0	1,064.0	5.8
Bedok Mall	50.00%	709.0	709.0	717.0	717.0	4.0
The Star Vista	100.00%	341.0	341.0	335.0	335.0	(6.0)
China						
Hongkou Plaza	72.50%	7,080.0	1,449.3	7,262.0	1,457.5	4.4
Minhang Plaza	65.00%	3,550.0	726.7	3,687.0	740.0	6.5
CapitaMall Peace Plaza	30.00%	2,113.0	432.6	2,157.0	432.9	0.1
CapitaMall Crystal	45.00%	1,990.0	407.4	2,030.0	407.4	0.0
CapitaMall Taiyanggong	45.00%	1,847.0	378.1	1,892.0	379.7	0.5
CapitaMall Jinniu (including Phase II)	45.00%	1,682.0	344.3	1,708.0	342.8	(0.5)
CapitaMall Wusheng	45.00%	1,645.5	336.9	1,672.0	335.6	(0.4)
Malaysia						
Queensbay Mall	100.00%	795.0	308.8	815.0	315.4	4.9
Japan						
Olinas Mall	100.00%	24,500.0	300.6	25,300.0	311.9	10.7
Total			9,800.7		9,883.2	46.0

Note: LCY is local currency

(a) Valuation as at 31 Dec 2013 is converted based on FX rate; 1RMB: 0.20471SGD, 100JPY: 1.227SGD, 1MYR: 0.38848SGD

(b) Valuation as at Latest Practicable Date is converted based on FX rate; 1RMB: 0.2007SGD, 100JPY: 1.2328SGD, 1MYR: 0.3870SGD

(c) Based on tax rate of 0% for Singapore, 5% for Japan and 25% for China and Malaysia

Source: Company filings

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7.4.3 Management Fee Business of CMA

CMA is also a manager of properties and listed REITs, through which it earns management fees. Valuation multiples of selected listed companies (the “Management Fee Business Comparables”) principally engaged in real estate fund management and which are, in our opinion, broadly comparable to the Management Fee Business of CMA. A summary profile of the Management Fee Business Comparables is set out below in Exhibit 10:

Exhibit 10: Overview of Management Fee Business Comparables

Company	AUM (US\$bn)	Description
Cohen & Steers Inc	49	Global investment manager with focus on real assets, including real estate, infrastructure and commodities established in 1986. First investment company to specialise in listed real estate Ex-US real estate AUM of US\$9.7 billion
ARA Asset Management Limited	20	Asian real estate fund management company focused on the management of public-listed real estate investment trusts (“REITs”) and private real estate funds Public REIT AUM of US\$14.8 billion

We wish to highlight that the Management Fee Business Comparables are not exhaustive and they differ from CMA’s Management Fee Business in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

The valuation ratios of the Management Fee Business Comparables set out below in Exhibit 11 are based on their last traded price as at the Latest Practicable Date.

Exhibit 11: Management Fee Business Comparables

Company	Market cap (US\$m)	AUM (US\$bn)	EV (US\$m)	LTM EV/EBIT (x)	LTM P/E (x)	EV/AUM (%)
Cohen & Steers, Inc. ^(a)	1,794	49	1,666	14.7x	24.8x	3.4%
ARA Asset Management Limited ^{(a)(b)}	1,203	20	1,171	15.4x	26.3x	5.8%
<i>Mean</i>				15.1x	25.6x	4.6%
<i>Median</i>				15.1x	25.6x	4.6%

Note: LTM is Last Twelve Months

(a) Based on trailing 12 months as at 31 March 2014

(b) LTM P/E ratio based on 2013 recurrent net profit (i.e. net profit excluding acquisition, divestment and performance fees, finance income and finance costs, adjusted for the effects of tax), adjusted for the year-on-year change in profit attributable to equity holders of the Company for 1st quarter 2014

Source: Company filings, FactSet as at Latest Practicable Date

We have reviewed selected transactions since 1 January 2008 up to and including the Latest Practicable Date, involving the sale of management companies of Singapore-listed real estate investment trust (“S-REIT Manager”) for which information is publicly available (“Selected S-REIT Manager Precedent Transactions”).

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Exhibit 12: Selected S-REIT Manager Precedent Transactions

Date	Entity	Acquirer	Transaction value (\$m)	Stake (%)	Implied valuation (\$m)	AUM (\$m)	EV/EBIT (x) ^(a)	P/E (x) ^(b)	EV/AUM (%) ^(c)
28-Oct-13	ARA Asset Management Limited ^(d)	The Straits Trading Company Limited	294.4	20%	1,464.5	23,400	17.3x	27.1x	6.3%
23-May-11	Lippo-Mapletree Indonesia Retail Trust Management Ltd ^(e)	Lippo Group	31.9	40%	79.8	1,248	16.0x	18.7x	6.4%
19-Apr-10	YTL Pacific Star REIT Management Holdings Pte Ltd ^(f)	YTL Corporation	40.0	50%	80.0	2,397	12.5x	14.9x	3.3%
28-Oct-08	Prime REIT Management Holdings Pte Ltd ^(g)	YTL Corporation	62.0	50%	124.0	2,293	32.1x	38.7x	5.4%
8-Jul-08	Allco (Singapore) Limited ^(h)	Frasers Centrepoint Limited	75.7	100%	75.7	1,998	10.9x	18.0x	3.8%
9-Jun-08	Cambridge Industrial Trust Management Ltd ⁽ⁱ⁾	Oxley Capital	7.4	20%	36.8	971	10.8x	12.7x	3.8%
13-Mar-08	Ascendas-MGM Funds Management Ltd ^(j)	Ascendas Pte Ltd	123.8	40%	309.6	3,420	15.3x	18.7x	9.1%
20-Feb-08	Cambridge Real Estate Investment Management Ltd ^(k)	Oxley Capital	17.2	33%	52.3	961	13.9x	23.5x	5.4%
<i>Mean</i>							<i>16.1x</i>	<i>21.5x</i>	<i>5.4%</i>
<i>Median</i>							<i>14.6x</i>	<i>18.7x</i>	<i>5.4%</i>

- (a) Calculated based on implied valuation / LTM EBIT (Earnings before interest and tax); EBIT for non-listed entities are as at the latest available company filings on ACRA prior to the transaction. Reflects the ratio of Enterprise Value to operating earnings
- (b) Calculated based on implied valuation / LTM net income; net income for non-listed entities are as at the latest available company filings on ACRA at time of transaction. Reflects the ratio of Equity Value to net income
- (c) Calculated based on implied valuation / asset under management. Reflects the ratio of Enterprise Value to asset under management
- (d) Based on AUM, trailing 12 months EBIT and trailing 12 months net income as at 30 September 2013. Net income based on recurrent net profit i.e. net profit excluding acquisition, divestment and performance fees, finance income and finance costs, adjusted for the effects of tax. The LTM P/E ratio, based on total net profit, would be 21.0x
- (e) Based on AUM as at 31 March 2011 and 12 months EBIT and net income as at 31 December 2010
- (f) Based on AUM as at 31 March 2010 and 12 months EBIT and net income as at 31 December 2009. Owns 100% of YTL Pacific Star REIT Management Limited and YTL Pacific Star Property Management Pte Ltd
- (g) Based on AUM as at 30 September 2008 and 12 months EBIT and net income as at 31 December 2007. Owns 100% of Macquarie Pacific Star Prime REIT Management Limited and 100% of Macquarie Pacific Star Property Management Pte Ltd
- (h) Based on AUM as at 30 June 2008 and 12 months EBIT and net income as at 30 June 2008. Includes both Allco Asset Management Pte Ltd and Allco (Singapore) Limited
- (i) Based on AUM as at 31 March 2008 and 12 months EBIT and net income as at 31 December 2007
- (j) Based on AUM as at 31 December 2007 and 12 months EBIT and net income as at 31 March 2007
- (k) Based on AUM as at 31 December 2007 and 12 months EBIT and net income as at 31 December 2007. Owns 60% of Cambridge Industrial Trust Management Ltd and 50% of Cambridge Industrial Trust Property Manager

Source: Accounting and Corporate Regulatory Authority, Mergermarket

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Exhibit 13: Valuation of CMA's Management Fee Business

	Reference data (S\$m)	Mean	Valuation (S\$m)
Trading comparables			
EV/EBIT (x)	72.0 ^(c)	15.1x	1,085
P/E (x)	51.5 ^(b)	25.6x	1,317
EV/AUM (%)	34,300.0 ^(d)	4.6%	1,572
Precedent transactions			
EV/EBIT (x)	72.0	16.1x	1,159
P/E (x)	51.5	21.5x	1,110
EV/AUM (%)	34,300.0	5.4%	1,863
Mean			1,351
Range (- / + 10%)			1,216 - 1,486
Less: book value ^(a)			(123)
Excess of estimated market value of Management Fee Business over book value			1,093 - 1,363

(a) Based on book value of the Management Fee Business as at 31 December 2013; total assets of S\$309 million and total liabilities of S\$186 million

(b) Based on CMA's last twelve months PATMI for the management business

(c) Based on CMA's last twelve months EBIT for the management business

(d) Based on total property value for malls owned and managed, as disclosed in CMA Annual Report 2013

Source: Bloomberg, company filings, FactSet as at Latest Practicable Date

Our eventual valuation range for CMA's Management Fee Business is based on a 10% range from the average mean valuation of the six valuation methodologies laid out above.

We further wish to highlight that underlying financial data used to calculate the multiples in our analysis have been extracted from the relevant companies' financials, Bloomberg and FactSet as at the Latest Practicable Date. Deutsche Bank has not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, expressed or implied, on the accuracy or completeness of such information.

We note as follows in relation to the Adjusted NAV for CMA:

- i. The analysis assumes the hypothetical sale of the assets (including those properties which have been revalued) of the Company as at the Latest Practicable Date. The Directors have confirmed to us that, save for the sale of the residential properties in the ordinary course of its business, as at the Latest Practicable Date, the Company does not have any plans for an impending material disposal and/or conversion of the use of the Company's assets and/or any material change in the nature of the Company's businesses; and
- ii. The Adjusted NAV figures per Share shown above include net estimated gain from sale of selected properties, which comprises net estimated gain of several unsold and/or uncompleted properties. The Company may not have fully earned or realised the gain on such assets as at the Latest Practicable Date. There is no assurance that any gain eventually recorded by the Company on such properties will be the same as that indicated above.

The Independent Directors may wish to advise Shareholders to read the above in conjunction with the Valuation Reports set out in Appendix 7 to the Circular.

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The Directors have confirmed to us that to the best of their knowledge and belief:

- i. Save for the properties which have been revalued above, there are no material differences between the realisable value of the property segments other assets and their respective book values as at 31 March 2014 which would have a material impact on the historical book NAV of the property business;
- ii. Save for those which have been disclosed publicly, there have been no material acquisitions and disposals of assets by CMA's property business between 31 March 2014 and the Latest Practicable Date; and
- iii. Other than that provided for in the Company's consolidated financial statements for the 3-month period ending 31 March 2014, there are no other contingent liabilities under the property group which are likely to have a material impact on the historical book NAV of the property business as at the Latest Practicable Date.

In addition, we wish to highlight that the Adjusted NAV per Share shown above includes the net estimated gain from several unsold and/or uncompleted properties. The Independent Directors should be aware that CMA has not fully earned or realised the gains on such properties as at the Latest Practicable Date. The Independent Directors may wish to refer to the table set out in this section for the net estimated gain from sale of residential properties and Westgate Tower. There is no assurance that the actual gains (if any) eventually recorded by CMA on such residential properties and Westgate Tower will be the same as estimated. Furthermore, the net effective share of valuation gain from selected investment properties net of tax are based on Valuation Reports. We have placed sole reliance on such information provided to us by the Company's management in relation to the asset appraisals and do not assume any responsibility to inquire about the bases of such valuations or if the contents thereof have been prepared in accordance with all applicable regulatory requirements including Rule 26 of the Code. Deutsche Bank has not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, expressed or implied, on the accuracy or completeness of such information.

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7.5 Valuation multiples of Singapore Comparable Companies and Hong Kong Comparable Companies which are considered to be broadly comparable to the Company in limited aspects

For the purpose of evaluating the financial terms of the Offer, we have made reference to the valuation ratios of selected Singapore-listed and Hong Kong-listed real estate development and holding companies which we consider to be broadly comparable to the Company in terms of having a primary focus on commercial property investment and development and having similar geographic markets (“Comparable Companies”), to get an indication of the current market expectations with regard to the perceived valuation of the Company.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no Singapore-listed or Hong Kong-listed company which we consider to be identical to the Company in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. The Independent Directors should note that any comparison made with respect to the Comparable Companies merely serve to provide an illustrative perceived market valuation of the Company as at the Latest Practicable Date.

In evaluating these companies, we have applied and used the following valuation ratios outlined below in Exhibit 14:

Exhibit 14: Description of valuation metrics

Trading multiples	Description
P/Book NAV	“P/Book NAV” or “Price-to-Book Net Asset Value” ratio illustrates the ratio of the market price of a company’s shares relative to its historical book NAV per share as recorded in its latest reported financial statements. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies
P/Analyst RNAV	“P/Analyst RNAV” or “Price-to-Analyst-Revalued Net Asset Value” ratio illustrates the ratio of the market price of a company’s shares relative to mean NAV figure derived from analyst reports adjusting the value of a company’s key assets to their current market values, also referred to as “Analyst Revalued NAV”
P/E	“P/E” or “Price-to-Earnings” ratio illustrates the ratio of the market price of a company’s shares relative to its earnings per share. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to revenues recognition, depreciation and intangible assets
Price/Operating EPS	“P/Op EPS” or “Price-to-Operating Earnings” ratio illustrates the ratio of the market price of a company’s shares relative to its operating earnings per share. Operating earnings reflects earnings adjusted for fair value gains / (losses) on investment properties. The P/Op EPS ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to revenues recognition, depreciation, revaluation of investment properties and intangible assets

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7.5.1 Valuation ratios of Singapore Comparable Companies

Brief descriptions of the Singapore Comparable Companies are set out below in Exhibit 15:

Exhibit 15: Singapore Comparable Companies

Company	Market cap (S\$m)	Description
CapitaLand Limited ("CAPL")	13,285	<ul style="list-style-type: none"> – Singapore's largest listed property developer by market capitalisation with core businesses comprising of owning, managing and developing of real estate and hospitality assets in Asia Pacific, Middle East and Europe – Also engaged in investment management services in addition to managing six listed REITs and several private fund vehicles
CapitaMall Trust ("CMT")	7,025	<ul style="list-style-type: none"> – Real estate investment trust which invests in income-producing assets which are predominantly used, for retail purposes primarily in Singapore – Portfolio currently comprises 15 retail properties which are located in the suburban areas and downtown core of Singapore; also holds a 30.0% stake in a joint venture to develop a prime land parcel at Jurong Gateway
Frasers Centrepoint Limited ("FCL")	5,418	<ul style="list-style-type: none"> – Singapore-based real estate developer, investor and manager of commercial property, serviced residences and two SGX-listed REITs, Frasers Centrepoint Trust and Frasers Commercial Trust – Operates through four main business divisions – Frasers Centrepoint Homes, Fraser Property, Frasers Centrepoint Commercial and Fraser Hospitality
Frasers Centrepoint Trust ("FCT")	1,510	<ul style="list-style-type: none"> – Real estate investment trust which invests in income-producing assets which are used primarily for retail purposes, in Singapore and overseas – Portfolio currently comprises five suburban malls - Causeway Point, Northpoint, Bedok Point, YewTee Point and Anchorpoint
CapitaRetail China Trust ("CRCT")	1,211	<ul style="list-style-type: none"> – First China-focused shopping mall real estate investment trust in Singapore with a portfolio of 10 income-producing shopping malls – Portfolio located across six cities in China including Beijing and Shanghai
Perennial China Retail Trust ("PCRT")	624	<ul style="list-style-type: none"> – Singapore's first pure-play China retail development trust – Currently the subject of pre-conditional voluntary general offer by St. James Holdings Limited

Source: Bloomberg, company filings as at Latest Practicable Date

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We set out in Exhibit 16 below the valuation statistics for the Singapore Comparable Companies based on their last traded price as at the Latest Practicable Date:

Exhibit 16: Singapore Comparable Companies trading multiples

Company	Market cap (S\$m)	P/Book NAV (x) ^(a)	P/Analyst RNAV (x) ^(b)	LTM P/Op EPS ratio (x) ^{(c)(d)}	LTM P/E ratio (x) ^(d)	Gearing (%)	Net debt / equity (%)
CAPL	13,285	0.81x	0.63x	23.6x	15.7x	33.9%	37.0%
CMT ^(e)	7,025	1.17x	0.96x	19.0x	12.3x	33.4%	33.0%
FCL ^(f)	5,418	0.86x	0.63x	11.2x	7.0x	32.4%	48.3%
FCT ^(e)	1,510	1.03x	1.01x	16.1x	5.2x	27.7%	38.1%
CRCT ^(e)	1,211	1.00x	0.77x	17.4x	9.0x	31.7%	49.9%
PCRT ^(g)	624	0.75x	0.70x	8.9x	11.0x	27.2%	45.9%
<i>Mean</i>		<i>0.94x</i>	<i>0.78x</i>	<i>16.0x</i>	<i>10.0x</i>	<i>31.0%</i>	<i>42.0%</i>
<i>Median</i>		<i>0.93x</i>	<i>0.74x</i>	<i>16.7x</i>	<i>10.0x</i>	<i>32.1%</i>	<i>42.0%</i>
CMA Final Offer Price	9,160	1.26x	0.88x	35.7x	15.2x	25.2%	25.4%

(a) Based on latest disclosed book net asset value, unadjusted for dividends declared / paid post latest financial report date

(b) Based on mean analysts' RNAV

(c) Excludes fair value gains / (losses) on investment properties

(d) Earnings per share calculated based on last twelve months net income, divided by shares outstanding as at the latest quarterly financials date

(e) Net income based on total returns for the period as illustrated in company filings

(f) Operating EPS excludes exceptional items

(g) Adjustment for fair value gains / (losses) on investment properties based on share of net change in fair value of investment properties, net of tax

Source: Bloomberg, company filings as at Latest Practicable Date

Based on the above, we note the following:

- i. The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is higher than the range of the P/Book NAV ratios of the Singapore Comparable Companies, and higher than both the mean and median P/Book NAV ratio of 0.94x and 0.93x, respectively, in respect of the Singapore Comparable Companies;
- ii. The P/Analyst RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is within the range of the P/Analyst RNAV ratios of the Singapore Comparable Companies, and higher than both the mean and median P/Analyst RNAV ratio of 0.78x and 0.74x, respectively, in respect of the Singapore Comparable Companies;
- iii. The LTM P/Op EPS ratio of CMA based on the Final Offer Price is 35.7x, which is higher than the range of the LTM P/Op EPS ratios of the Singapore Comparable Companies, and higher than both the mean and median LTM P/Op EPS ratio of 16.0x and 16.7x, respectively, in respect of the Singapore Comparable Companies; and
- iv. The LTM P/E ratio of CMA based on the Final Offer Price is 15.2x, which is within the range of the P/E ratios of the Singapore Comparable Companies, and higher than both the mean and median P/E ratio of 10.0x and 10.0x, respectively, in respect of the Singapore Comparable Companies.

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Given the asset-intensive nature of CMA's core property development and investment business, we have considered the NAV-based valuation ratios such as P/Book NAV and P/Analyst RNAV as the primary measures whilst taking into account earnings-based valuation ratios such as LTM P/Op EPS and P/E in assessing the Final Offer Price. The earnings of property related companies may vary considerably over time and between companies due to factors such as the timing of project launches and development.

7.5.2 Valuation ratios of Hong Kong Comparable Companies

Brief descriptions of the Hong Kong Comparable Companies are set out below in Exhibit 17:

Exhibit 17: Hong Kong Comparable Companies

Company	Market cap (S\$m)	Description
Swire Properties Ltd ("Swire")	21,718	<ul style="list-style-type: none"> - Provides mixed-use commercial projects, including shopping malls, business hubs, premium serviced apartments, hotels and residences, across Hong Kong, Mainland China, the UK and the US with significant completed and ongoing investments in Beijing, Shanghai and Guangzhou - Projects in China include Taikoo Li Sanlitun and INDIGO in Beijing, Dazhongli project in Shanghai, Taikoo Hui in Guangzhou and Daci Temple Project in Chengdu
Hang Lung Properties Limited ("Hang Lung")	17,302	<ul style="list-style-type: none"> - Leading real estate developer with extensive integrated development portfolio in Hong Kong and the Mainland with presence in Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian, Kunming and Wuhan - Completed developments in China include Plaza 66, Grand Gateway 66 in Shanghai, Palace 66 and Forum 66 in Shenyang, Parc 66 in Jinan and Centre 66 (Phase 1) in Wuxi - Projects under development include Center 66 (Phase 2) in Wuxi, Heartland 66 in Wuhan, Riverside 66 in Tianjin, Olympia 66 in Dalian and Spring City 66 in Kunming
China Resources Land Limited ("CR Land")	14,400	<ul style="list-style-type: none"> - Subsidiary of China Resources (Holdings) Company Limited, a Chinese state-owned enterprise with presence in Beijing, Shanghai, Shenzhen, Chengdu, Wuhan and Hefei - Develops mid to high end residential properties and commercial properties ranging from hotels, offices, shopping malls and serviced apartments - Property portfolio include Arc de Triomphe project in Shenyang, The Bund Side in Shanghai, Chengdu Emerald City in Chengdu and Chongqing 24 City in Chongqing
Shui On Land Limited ("Shui On Land")	2,570	<ul style="list-style-type: none"> - Flagship property development company of Shui On Group in the PRC with proven track record in developing large-scale, mixed-use city-core communities and integrated residential developments in key cities of Shanghai, Chongqing, Wuhan, Dalian and Foshan - Projects include Shanghai Xintiandi in Shanghai, Xihu Tiandi In Hangzhou, Chongqing Tiandi in Chongqing, Wuhan Tiandi in Wuhan, Dalian Tiandi in Dalian and Foshan Lingnan Tiandi in Foshan
Beijing Capital Land Ltd ("Beijing Cap")	848	<ul style="list-style-type: none"> - Integrated property developer in the PRC with presence in 15 cities across China with landbank of over 10 million sqm - Investment properties owned include integrated outlets in Beijing, Jiangsu, Hainan and Shannxi - Key integrated developments include Tianjin First City, Noble City and Landing House in Tianjin, Shenyang First City in Shenyang, Chengdu First City in Chengdu and Xi'an First City in Xi'an
Powerlong Real Estate Holdings Limited ("Powerlong")	761	<ul style="list-style-type: none"> - Specialises in development and operation of large scale integrated developments with presence in over 25 cities in the PRC - Projects include Shanghai Caolu Powerlong City Plaza in Shanghai, Tianjin Powerlong International Plaza in Tianjin, Suzhou Taicang Powerlong City Plaza in Jiangsu and Chongqing Hechuan Powerlong City Plaza in Chongqing

Source: Bloomberg, FactSet as at Latest Practicable Date

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We set out in Exhibit 18 below the valuation statistics for the Hong Kong Comparable Companies based on their last traded price as at the Latest Practicable Date:

Exhibit 18: Valuation ratios of Hong Kong Comparable Companies

Company	Market cap (S\$m)	P/Book NAV (x) ^(a)	P/Analyst RNAV (x) ^(b)	LTM P/E ratio (x)	Gearing (%)	Net debt/equity (%)
Swire	21,718	0.66x	0.70x	10.7x	8.4%	9.2%
Hang Lung	17,302	0.86x	0.72x	14.8x	19.2%	0.5%
CR Land	14,400	1.05x	0.53x	6.1x	23.0%	39.2%
Shui On Land	2,570	0.35x	0.35x	5.7x	35.6%	70.5%
Beijing Cap	848	0.48x	n/a	2.8x	37.2%	58.7%
Powerlong	761	0.22x	0.31x	2.7x	33.9%	68.0%
<i>Mean</i>		<i>0.61x</i>	<i>0.52x</i>	<i>7.1x</i>	<i>26.2%</i>	<i>41.0%</i>
<i>Median</i>		<i>0.57x</i>	<i>0.53x</i>	<i>5.9x</i>	<i>28.5%</i>	<i>49.0%</i>
CMA Final Offer Price	9,160	1.26x	0.88x	15.2x	25.2%	25.4%

(a) Based on latest disclosed book net asset value, unadjusted for dividends declared / paid post latest financial report date

(b) Based on mean analysts' RNAV

Source: Bloomberg, company filings as at Latest Practicable Date

Based on the above, we note the following:

- i. The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is higher than the range of the P/Book NAV ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/Book NAV ratio of 0.61x and 0.57x, respectively, in respect of the Hong Kong Comparable Companies;
- ii. The P/Analyst RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is higher than the range of the P/Analyst RNAV ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/Analyst RNAV ratio of 0.52x and 0.53x, respectively, in respect of the Hong Kong Comparable Companies; and
- iii. The LTM P/E ratio of CMA based on the Final Offer Price is 15.2x, which is higher than the range of the P/E ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/E ratio of 7.1x and 5.9x, respectively, in respect of the Hong Kong Comparable Companies.

Given the asset-intensive nature of CMA's core property development and investment business, we have considered the NAV-based valuation ratios such as P/Book NAV and P/Analyst RNAV as the primary measures whilst taking into account earnings-based valuation ratios such as P/E in assessing the Final Offer Price. The earnings of property related companies may vary considerably over time and between companies due to factors such as the timing of project launches and development.

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7.6 Recent offer transactions

7.6.1 Precedent transactions

We have reviewed selected transactions between 1 January 2009 and the Latest Practicable Date, involving privatisations of Singapore-listed property companies which the offeror had majority control at the point of offer and for which information is publicly available (“Selected Singapore Property Precedent Transactions”).

Exhibit 19 sets out the implied transaction multiples for the Selected Singapore Property Precedent Transactions:

Exhibit 19: Selected Singapore Property Precedent Transactions

Announcement date	Target	Acquirer	Transaction value (\$m)	Stake acquired (%)	Offer Price/Book NAV ^{(a)(b)}	Offer Price/RNAV ^(a)
24-Feb-14	Singapore Land Limited	UIC Enterprise Pte Ltd	656	16.9%	0.72x	0.67x ^(c)
10-May-13	Pan Pacific Hotels Group Limited	UOL Group Limited	156	10.2%	1.62x	0.95x
05-Dec-12	SC Global Developments Ltd	MYK Holdings Pte Ltd	335	44.9%	1.15x	0.80x ^(d)
23-May-11	Allgreen Properties Limited	Brookvale Investments Pte Ltd	1,130	44.4%	0.99x	0.84x ^(e)
26-Aug-10	MCL Land Limited	HKL (MCL) Pte Ltd	205	22.6%	0.96x	0.75x ^(f)
<i>Mean</i>					1.09x	0.80x
<i>Median</i>					0.99x	0.80x
CMA Final Offer Price^(g)					1.26x	0.88x

(a) Based on Final Offer Price

(b) Net asset value per share based on Company's latest unaudited consolidated financial statements, prior to the transaction

(c) Based on SingLand's NTA, adjusted for the fair market value of three hotels, The Pan Pacific Hotel Singapore, The Marina Mandarin Singapore and Mandarin Oriental Singapore

(d) RNAV as disclosed in the circular, based on as-in value for properties under development i.e. values the properties based on existing market value, without assuming development and completion

(e) RNAV as disclosed in the circular, assuming properties under development that have no contracted sales of the units are valued based on existing market value, without assuming development and completion; properties which are under development and have achieved some sales to date are valued based on the contracted units based on actual transacted selling prices and associated estimated development cost and uncontracted units based on existing net asset value; overseas properties in People's Republic of China and Vietnam are valued based on existing net asset value; investment properties based on appointed valuer's valuation

(f) RNAV as disclosed in the circular, based on discounted revaluation surplus i.e. revaluation surplus figure has been discounted to take into account the time required to develop and complete the Singapore development properties

(g) CMA book net asset value not adjusted for FY2013 dividends

Source: Company filings

Based on Exhibit 19, we note that at the Final Offer Price:

- i. The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is within the range of the P/Book NAV ratios of the Selected Singapore Property Precedent Transactions, and higher than both the mean and median P/Book NAV ratio of 1.09x and 0.99x, respectively, in respect of the Selected Singapore Property Precedent Transactions; and
- ii. The P/RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is within the range of the P/RNAV ratios of the Selected Singapore Property Precedent Transactions, and higher than both the mean and median P/RNAV ratio of 0.80x and 0.80x, respectively, in respect of the Selected Singapore Property Precedent Transactions.

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The Independent Directors should note that the level of premium (if any) an acquirer would normally pay in a general offer, merger or take-over transaction varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies (if any) to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the form of consideration offered by an acquirer, the extent of control the acquirer already has in the target company and prevailing market conditions and expectations.

The Independent Directors should also note that the comparison is made without taking into consideration the relative efficiency of information or the underlying liquidity of the shares of the relevant companies, the performance of the shares of the companies or the quality of earnings prior to the relevant announcements and the market conditions, sentiments and expectations when the announcements were made.

The Selected Singapore Property Precedent Transactions are provided for illustrative purposes only. The Selected Singapore Property Precedent Transactions and the acquired companies may not be directly comparable with the Offer and the Company and may vary with respect to, amongst others, the acquisition of minority versus controlling stakes in the transactions, the liquidity of the underlying shares in the acquired companies and the prevailing market conditions at the time of the transactions, as well as the geographical spread of activities, business mix and model within the property industry, size of the addressable market for their products, scale of operations, asset intensity, financial leverage, accounting policies, risk profile, tax factors, track record and future prospects of the acquired companies. Accordingly, the Selected Singapore Property Precedent Transactions may not provide a meaningful basis for comparison.

We further wish to highlight that the underlying financial data used to calculate Final Offer Price/Book NAV and Final Offer Price/RNAV in our analysis have been extracted from the relevant companies' financials and filings as at the Latest Practicable Date. Deutsche Bank makes no representations or warranties, express or implied, on the accuracy, completeness or sufficiency of such information.

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7.6.2 Singapore Bid Premia

We have looked at completed general offers in Singapore between 1 January 2009 and the Latest Practicable Date, where the transaction size implied by the respective offer is greater than S\$100 million (“Precedent Singapore Take-over Premia”).

Exhibit 20 sets out the premium/discount implied by the various transaction prices compared to the last traded prices of each target 1-day prior, as well as the VWAP for the 1-month, 3-month, 6-month and 12-month periods prior, to the reference dates for the respective transactions.

Exhibit 20: Precedent Singapore Take-over Premia

Date	Target	% owned at offer	Premium / (Discount) to last traded price	Premium / (Discount) to VWAP prior to announcement			
				1-mth	3-mths	6-mths	12-mths
24 Feb 14	Singapore Land Limited	80%	11.2%	16.9%	13.9%	11.0%	7.9%
19-Oct-13	People's Food Holdings Limited **	47%	2.6%	4.2%	10.0%	(6.4%)	(1.9%)
2-Sep-13	China Minzhong Food Corporation Limited **	33%	10.3%	5.5%	6.9%	2.2%	18.5%
1-Aug-13	Viz Branz Limited ^(a)	58%	15.0%	17.9%	17.4%	17.4%	14.8%
21-Jun-13	Guthrie GTS Limited	69%	21.4%	21.9%	19.7%	20.2%	25.9%
10-May-13	Pan Pacific Hotels Group Limited	90%	9.0%	8.2%	6.1%	8.1%	17.9%
9-May-13	WBL Corporation Limited ^(b) **	38%	28.9%	27.6%	25.5%	28.9%	37.2%
18-Jan-13	Fraser & Neave, Limited ^(c) **	30%	20.9%	31.7%	38.8%	41.5%	51.8%
5-Dec-12	SC Global Developments Ltd	55%	49.4%	57.2%	58.0%	62.9%	71.1%
27-Aug-12	Sakari Resources Limited**	45%	27.5%	33.8%	38.7%	22.6%	7.3%
17-Aug-12	Asia Pacific Breweries Limited ^(d) **	42%	52.8%	53.6%	55.2%	64.4%	85.5%
1-Aug-12	Cerebos Pacific Limited	83%	22.7%	22.9%	23.9%	21.0%	27.4%
28-Dec-11	SMB United Limited**	0%	33.3%	45.5%	50.9%	52.7%	56.3%
1-Aug-11	C&O Pharmaceutical Technology (Holdings) Limited**	29%	11.1%	16.8%	20.2%	22.6%	4.8%
13-Jul-11	Portek International Limited**	0%	97.2%	96.9%	122.9%	136.1%	170.3%
11-Jul-11	Hsu Fu Chi International Limited**	0%	8.7%	10.0%	15.7%	24.7%	62.1%
23-May-11	Allgreen Properties Limited	56%	39.1%	40.6%	45.3%	42.6%	43.1%
5-Mar-11	Sinomem Technology Limited	56%	28.4%	33.9%	34.5%	36.6%	31.0%
6-Jan-11	Kim Eng Holdings Limited ^(e) **	0%	55.8%	62.6%	67.9%	79.2%	74.5%
29-Oct-10	Thomson Medical Centre Limited**	0%	62.0%	71.7%	90.2%	106.4%	124.9%
23-Jul-10	RSH Limited ^(f) **	28%	41.7%	n/a	n/a	32.8%	25.0%
27-May-10	Parkway Holdings Limited ^(g) **	24%	30.8%	20.4%	23.1%	29.1%	68.1%
18-Jan-10	Hongguo International Holdings Limited**	47%	37.2%	31.4%	35.5%	36.8%	69.5%
24-Aug-09	Sihuan Pharmaceutical Holdings Group Limited	77%	27.5%	24.4%	33.2%	36.4%	46.4%
24-May-09	Singapore Petroleum Company Limited**	0%	24.0%	52.0%	90.0%	121.0%	54.0%
	<i>Mean</i>		30.7%	33.6%	39.3%	42.0%	47.7%
	<i>Median</i>		27.5%	29.5%	33.9%	32.8%	43.1%
	<i>Mean where majority control obtained</i>		34.1%	37.6%	46.1%	49.7%	56.7%
	<i>Median where majority control obtained</i>		29.9%	31.7%	38.7%	34.8%	55.1%
	<i>Mean where offeror had majority control</i>		24.9%	27.1%	28.0%	28.5%	31.7%
	<i>Median where offeror had majority control</i>		22.7%	22.9%	23.9%	21.0%	27.4%
16-May-14	CMA Final Offer Price	65%	30.2%	34.4%	32.8%	27.6%	24.3%

Note: Precedent Singapore Take-over Premia based on completed general offers since 1 January 2009 where equity value of transaction is over S\$100 million for stake sought, excludes scheme of arrangements

** Denotes transactions where majority control was obtained

(a) Market premia based on revised offer released 1 August 2013. The original offer was announced on 1 July 2013

(b) Market premia based on revised offer announced on 9 May 2013. The original offer was announced on 30 January 2013

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- (c) Market premia based on revised offer of S\$9.55 announced on 18 January 2013. The original offer of S\$8.88 was announced on 11 September 2013
- (d) On 20 July 2012, Heineken announced an offer to acquire Fraser & Neave's interest in Asia Pacific Breweries. Agreements were entered into between Heineken International B.V. ("Heineken") and Fraser & Neave, Limited ("Fraser & Neave") on 17 August 2012. Heineken's initial stake comprised of shares held directly and 50% of shares held indirectly through Asia Pacific Investments Pte Ltd. Market, a 50-50 joint venture between Heineken and Fraser & Neave. Market premia based is based on the unaffected share price date of 16 July 2012
- (e) On 6 January 2011, Maybank IB Holdings Sdn. Bhd. ("Maybank") announced an offer to acquire Mr Roland Anthony Ooi Thean Yat and Yuanta Securities Asia Financial Services Limited's ("Yuanta") interest in Kim Eng Holdings Limited ("Kim Eng"). Agreements were entered into on 5 May 2011. The market premia is based on the share price on 16 December 2010, the day before Kim Eng announced it had received approaches from potential interested parties in relation to a possible acquisition
- (f) Market premia for 1 month and 3 month VWAP as there was no trading in the shares over these periods
- (g) On 26 July 2010, Integrated Healthcare Holdings Limited exercised its right to revise the terms of the partial offer so as to make a voluntary conditional cash general offer. The market premia is based on the share price on 26 May 2010, the day before the initial partial offer was announced

Source: Company filings

We note that the variance across premiums and discounts to VWAP for the Precedent Singapore Take-over Premia is large and that the offers above include outliers such as the offers for SC Global Developments Ltd and Allgreen Properties Limited. We also note that as shown in Exhibit 19, the offers for SC Global Developments Ltd and Allgreen Properties Limited were completed at Offer Price/Book NAV ratios lower than that implied by the Final Offer Price. Given these transactions, for purposes of our analysis, we have referred to the median of the Precedent Singapore Take-over Premia.

Based on Exhibit 20, we note that for the selected transactions where the offeror had majority control:

- i. The Final Offer Price represents a premium of approximately 30.2% over the last traded price on the Last Trading Day. This compares to a median premium of 22.7% to the last traded price;
- ii. The Final Offer Price represents a premium of approximately 34.4% over the 1-month VWAP. This compares to a median premium of 22.9% to the 1-month VWAP;
- iii. The Final Offer Price represents a premium of approximately 32.8% over the 3-month VWAP. This compares to a median premium of 23.9% to the 3-month VWAP;
- iv. The Final Offer Price represents a premium of approximately 27.6% over the 6-month VWAP. This compares to a median premium of 21.0% to the 6-month VWAP; and
- v. The Final Offer Price represents a premium of approximately 24.3% over the 12-month VWAP. This compares to a median premium of 27.4% to the 12-month VWAP.

The Independent Directors should note that the level of premium (if any) an acquirer would normally pay in a general offer, merger or take-over transaction varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies (if any) to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the form of consideration offered by an acquirer, the extent of control the acquirer already has in the target company and the prevailing market conditions and expectations.

The Independent Directors should also note that the comparison is made without taking into consideration the underlying liquidity of the shares of the relevant companies, the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or relative need for control leading to compulsory acquisition. Moreover, as the Company is not necessarily in the same industry and does not conduct the same businesses as the other target companies in Exhibit 20, it may not, therefore, be directly comparable to the target companies in terms of geographical spread of activities, composition of business activities, product lines, size of addressable market, scale of operations, asset intensity, financial leverage, risk profile, client base, accounting policies, track record, prospects and other relevant

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criteria. Accordingly, the Precedent Take-over Singapore Premia may not provide a meaningful basis for comparison.

7.7 Brokers' price target for the Shares

The Company is covered by 21 brokerage houses. We have reviewed the price targets for the Shares estimated by broker research as set out in Exhibit 21.

Exhibit 21: Summary of broker recommendations

Broker	Date of price target ^(a)	Analyst RNAV (S\$)	Recommendation	Target price (S\$)
Morgan Stanley	25-Mar-14	2.73	Buy	2.10
Nomura	6-Mar-14	2.43	Buy	2.17
CLSA	5-Mar-14	3.08	Buy	2.31
Maybank Kim Eng	14-Feb-14	2.91	Buy	2.60
Barclays	14-Feb-14	2.36	Hold	2.01
China International Capital	14-Feb-14	2.21	Buy	2.21
Credit Suisse	14-Feb-14	2.80	Buy	2.52
DBS Vickers	14-Feb-14	2.85	Buy	2.28
Deutsche Bank	14-Feb-14	2.17	Hold	1.95
OCBC Investment Research	14-Feb-14	n/a	Buy	2.40
UBS	14-Feb-14	2.76	Buy	2.35
Bank of America Merrill Lynch	13-Feb-14	2.81	Buy	2.25
CIMB	13-Feb-14	2.61	Buy	2.22
Citibank	13-Feb-14	2.83	Buy	2.54
Daiwa Capital Markets	13-Feb-14	2.43	Buy	2.39
Goldman Sachs	13-Feb-14	2.96	Buy	2.52
Jefferies	13-Feb-14	2.68	Buy	2.40
JPMorgan	13-Feb-14	2.94	Buy	2.35
Macquarie	13-Feb-14	2.41	Buy	2.41
Religare	13-Feb-14	2.65	Hold	1.89
Standard Chartered	13-Feb-14	2.62	Buy	2.10
<i>Mean</i>		2.66		2.28
<i>Median</i>		2.71		2.31
<i>Min</i>		2.17		1.89
<i>Max</i>		3.08		2.60
CMA Final Offer Price				2.35

(a) Date of price target is date of latest broker report prior to the Offer Announcement Date

Source: Broker reports as at the Offer Announcement Date

Based on Exhibit 21, we note that:

- i. The Final Offer Price is at a premium of 3.1% to the mean broker price target of S\$2.28 and a discount of 9.6% to the maximum broker price target of S\$2.60; and
- ii. The Final Offer Price is at a discount of 11.7% to the mean analyst RNAV of S\$2.66 and a discount of 23.7% to the maximum analyst RNAV of S\$3.08.

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We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the Shares and other statements and opinions contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Company) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, the Company's market development and the emergence of new information relevant to the Company. As such, the above price targets may not be an accurate prediction of future market prices of the Shares.

Any opinions or price targets expressed in such broker research reports represent the individual views of the respective brokers only.

7.8 Other relevant considerations which have a significant bearing on our assessment

7.8.1 Unconditional Offer

As set out in section 4.1 of the Offer Revision Announcement, the Revised Offer is unconditional in all respects. Accordingly, Shareholders who accept the Revised Offer will receive the Final Offer Price in respect of all their acceptances of the Revised Offer with no transaction costs involved.

As set out in section 12 of the Offer Revision Announcement, if trading in the Shares is suspended at the close of the Revised Offer, the Offeror and CapitaLand do not intend to support any action or take any steps to maintain the listing status of CMA or to restore the free float of the Shares consistent with their intention to delist CMA from the SGX-ST. **As the Revised Offer is unconditional, even if the Shares are not delisted, any increase in the Offeror's shareholdings in the Company will reduce the free float of the Company, which is likely to reduce the future liquidity of the Shares in the market.**

7.8.2 Offeror's and CapitaLand's Intentions Relating to the Company

The following has been extracted from section 8.1 of the Offer Document and is set out in italics below. **Shareholders are advised to read the relevant section of the Offer Document, as extracted below, carefully.**

"8.1 Offeror's and CapitaLand's Future Plans for CMA. *It is the current intention of the Offeror and CapitaLand for CMA to continue with its existing business in line with the objectives of the transaction as set out in **Section 7** above. The Offeror and CapitaLand have no current intention to (i) introduce any major changes to the business of CMA, (ii) re-deploy CMA's fixed assets, or (iii) discontinue the employment of any of the existing employees of the CMA Group.*

Nonetheless, the Offeror and CapitaLand retain the flexibility at any time to consider any options or opportunities which may present themselves and which they regard to be in the interests of the Offeror or CapitaLand."

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7.8.3 Delisting and Suspension

The following has been extracted from section 12 of the Offer Revision Announcement and is set out in italics below. **Shareholders are advised to read the relevant section of the Offer Revision Announcement, as extracted below, carefully.**

“12. Delisting

The Offeror and CapitaLand intend to make CMA a wholly-owned subsidiary of CapitaLand and do not intend to preserve the listing status of CMA.

Under Rule 1303(1) of the Listing Manual, if the Offeror and its Concert Parties succeed in holding more than 90% of the Shares in issue, whether through acceptances of the Offer or otherwise, the SGX-ST will suspend trading of the Shares on the SGX-ST at the close of the Offer.

*Separately, Rule 723 of the Listing Manual requires CMA to ensure that at least 10% of all the Shares in issue be held by the public (“**Free Float Requirement**”). If the Free Float Requirement is not met, the SGX-ST may allow CMA a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which CMA may be delisted from the SGX-ST.*

As stated in the Offer Document, in the event that the Free Float Requirement is not satisfied at the close of the Offer, and the trading of the Shares on the SGX-ST is suspended at the close of the Offer, the Offeror and CapitaLand do not intend to support any action or take any steps to maintain the listing status of CMA or to restore the free float of the Shares consistent with their intention to delist CMA from the SGX-ST.”

The SGX-ST will suspend trading of the Shares on the SGX-ST following the close of the Revised Offer (“Suspension”) if less than 10% of the total issued share capital of the Company is not held in public hands. In the event of a Suspension and as the Offeror has no intention to maintain or support any action taken or to be taken to meet the Free Float Requirement, trading in the Shares will remain suspended and, in such circumstances, Shareholders would not have any exit alternative. Further, pursuant to Rule 33.2 of the Code, as the Offeror may not, within six (6) months of the close of the Offer, acquire or make another offer to acquire Shares on terms better than the terms of the Offer, any exit offer, if made by the Offeror pursuant to a voluntary delisting in accordance with Rules 1307 and 1309, would likely be on the same terms as the Offer.

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7.8.4 Compulsory acquisition

The following has been extracted from section 11 of the Offer Revision Announcement and is set out in italics below. **Shareholders are advised to read the relevant section of the Offer Revision Announcement, as extracted below, carefully.**

“11. Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances of the Offer or acquires such number of Offer Shares during the Offer period otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer as at the close of the Offer (“Dissenting Shareholders”).

As stated in the Offer Document, the Offeror, when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and thereafter proceed to delist CMA from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer or otherwise, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.”

7.8.5 Implications of delisting for Shareholders

Shareholders who do not accept the Revised Offer should note the following implications or consequences which may arise as a result of any suspension in, and/or delisting of the Shares:

- i. Shares of unquoted companies are generally valued at a discount to the shares of comparable listed companies as a result of lack of marketability;
- ii. It is likely to be difficult for Shareholders to sell their Shares in the absence of a public market for the Shares as there is no arrangement for such Shareholders to exit their investments in the Shares. If the Company is delisted, even if such Shareholders were subsequently able to sell their Shares, they may receive a lower price than that of the Final Offer Price;
- iii. Given the time taken for the Offeror to exercise its right to compulsorily acquire the remaining Shares or the time taken for Dissenting Shareholders to exercise any rights they may have to compel the Offeror to acquire their Shares under Section 215(3) of the Companies Act, the settlement date on compulsory acquisition is likely to be later than the settlement date had the Revised Offer been accepted;
- iv. As an unlisted company, the Company will no longer be obligated to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 of the Listing Manual and Appendices 7.1 to 7.4 to the Listing Manual. Shareholders will no longer enjoy the same level of protection, transparency and accountability afforded by the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its memorandum and articles of association and the interests of Shareholders who do not accept the Revised Offer will be protected to the extent provided for by the Companies Act which includes, *inter alia*, the entitlement to be sent a copy of the profit and loss accounts and balance sheet at least fourteen (14) days before each annual general meeting, at which the accounts will be presented; and

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- v. There is no assurance that the Company will maintain its historical dividend payments in the future.

7.8.6 Alternative Offer

As at the Latest Practicable Date and other than the Offer Revision Announcement, the Directors have not received any competing offer or an enhancement or revision of the Offer and there is no publicly available evidence of an Alternative Offer for the Shares from any third party.

Shareholders should also note that as the Revised Offer has now been declared unconditional in all respects, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Revised Offer.

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8. RECOMMENDATION

In arriving at our opinion on the Revised Offer, we have taken into account the following key considerations in the context of a non-change of control transaction (which should be read in conjunction with, and in the context of, the full text of this letter):

8.1 Factors in favour of the Final Offer Price	8.2 Factors against the Final Offer Price
8.1.1 The Final Offer Price represents a premium of approximately 34.4%, 32.8%, 27.6%, 24.3%, 27.1% and 24.6% over the 1-month, 3-month, 6-month, 1-year, 2-year, and since IPO VWAP of the Shares, respectively;	8.2.1 The Final Offer Price represents a premium of 10.8% to the IPO price, which is less than the NAV per share growth of 38% since the IPO;
8.1.2 The Final Offer Price represents a premium of approximately 25.7%, over the unaudited NAV per Share of the Company of S\$1.87 as at 31 March 2014;	8.2.2 The Final Offer Price is a discount of 9.6% to the maximum broker price target of S\$2.60;
8.1.3 The Final Offer Price is at a premium of 3.1% to the mean broker price target of S\$2.28;	8.2.3 The Final Offer Price is at a discount of 11.7% to the mean analyst RNAV of S\$2.66 and a discount of 23.7% to the maximum analyst RNAV of S\$3.08; and
8.1.4 The Final Offer Price is equal to the upper end of our Adjusted NAV range of S\$2.28 to S\$2.35;	8.2.4 In comparison with the Precedent Singapore Take-over Premia for selected transactions where the offeror had majority control, the Final Offer Price represents a premium of approximately 24.3% over the 12-month VWAP. This compares to a median premium of 27.4% to the 12-month VWAP.
8.1.5 In comparison with the Singapore Comparable Companies: <ul style="list-style-type: none">i. The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is higher than the range of the P/Book NAV ratios of the Singapore Comparable Companies, and higher than both the mean and median P/Book NAV ratio of 0.94x and 0.93x, respectively, in respect of the Singapore Comparable Companies;ii. The P/Analyst RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is within the range of the P/Analyst RNAV ratios of the Singapore Comparable Companies, and higher than both the mean and median P/Analyst RNAV ratio of 0.78x and 0.74x, respectively, in respect of the Singapore Comparable Companies;iii. The LTM P/Op EPS ratio of CMA based on the Final Offer Price is 35.7x, which is higher than the range of the LTM P/Op EPS ratios of the Singapore Comparable Companies, and higher than both the mean and median LTM P/Op EPS ratio of 16.0x and 16.7x, respectively, in respect of the Singapore Comparable Companies; andiv. The LTM P/E ratio of CMA based on the Final Offer Price is 15.2x, which is within the range of the P/E ratios of the Singapore Comparable Companies, and higher than both the mean and median P/E ratio of 10.0x and 10.0x, respectively, in respect of the Singapore Comparable Companies.	

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8.1.6 In comparison with the Hong Kong Comparable Companies:

- i. The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is higher than the range of the P/Book NAV ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/Book NAV ratio of 0.61x and 0.57x, respectively, in respect of the Hong Kong Comparable Companies;
- ii. The P/Analyst RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is higher than the range of the P/Analyst RNAV ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/Analyst RNAV ratio of 0.52x and 0.53x, respectively, in respect of the Hong Kong Comparable Companies; and
- iii. The LTM P/E ratio of CMA based on the Final Offer Price is 15.2x, which is higher than the range of the P/E ratios of the Hong Kong Comparable Companies, and higher than both the mean and median P/E ratio of 7.1x and 5.9x, respectively, in respect of the Hong Kong Comparable Companies.

8.1.7 In comparison with the Selected Singapore Property Precedent Transactions:

- i. The P/Book NAV ratio of CMA based on the Final Offer Price is 1.26x, which is within the range of the P/Book NAV ratios of the Selected Singapore Property Precedent Transactions, and higher than both the mean and median P/Book NAV ratio of 1.09x and 0.99x, respectively, in respect of the Selected Singapore Property Precedent Transactions; and
- ii. The P/RNAV ratio of CMA based on the Final Offer Price is 0.88x, which is within the range of the P/RNAV ratios of the Selected Singapore Property Precedent Transactions, and higher than both the mean and median P/RNAV ratio of 0.80x and 0.80x, respectively, in respect of the Selected Singapore Property Precedent Transactions.

8.1.8 In comparison with the Precedent Singapore Take-over Premia for selected transactions where the offeror had majority control:

- i. The Final Offer Price represents a premium of approximately 30.2% over the last traded price on the Last Trading Day. This compares to a median premium of 22.7% to the last traded price;
- ii. The Final Offer Price represents a premium of approximately 34.4% over the 1-month VWAP. This compares to a median premium of 22.9% to the 1-month VWAP;
- iii. The Final Offer Price represents a premium of approximately 32.8% over the 3-month VWAP. This compares to a median premium of 23.9% to the 3-month VWAP; and
- iv. The Final Offer Price represents a premium of approximately 27.6% over the 6-month VWAP. This compares to a median premium of 21.0% to the 6-month VWAP.

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8.1.9 As compared to the relative performance of the market indices, the current market price and the trading volume of the Shares may have been underpinned by the Offer subsequent to the Offer Announcement Date. As such, there is no assurance that the market price and trading volume of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close of the Offer.

8.3 Other factors:

- 8.3.1 As at the Latest Practicable Date, the Offeror and its Concert Parties holds approximately 71.0% of the Shares and the Company has confirmed that there is no alternative or competing offer available to the Shareholders. In the event of an alternative or competing offer, we note that unless the Offeror and its Concert Parties accept such alternative or competing offer, any offer made by any third parties would not be capable of becoming unconditional;
- 8.3.2 As at the Latest Practicable Date, if during the Revised Offer, the Offeror acquires another 739,153,772 Shares representing approximately 19.0% of the Shares as at the Latest Practicable Date, the Free Float Requirement will not be met and the SGX-ST would have the right to suspend trading in the Shares following the close of the Revised Offer;
- 8.3.3 The intention of the Offeror to exercise any rights of compulsory acquisition in the event that the Offeror acquires not less than 90% of the total number of issued Shares as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer). Between the Offer Announcement Date and the Latest Practicable Date, the Offeror acquired a total of 224,752,000 Shares in the open market at prices ranging from S\$2.20 to S\$2.35 per Share. As at the Latest Practicable Date, the Offeror and its Concert Parties owned, controlled or has agreed to acquire an aggregate of 2,880,897,690² Shares representing approximately 73.9% of the share capital of the Company as at the Latest Practicable Date;
- 8.3.4 The intention of the Offeror not to maintain or support any action taken or to be taken to maintain the listing status of the Company if the Offeror is unable to exercise the right to compulsorily acquire all the Shares not acquired under the Revised Offer and the Company does not meet the Free Float Requirement pursuant to Rule 723 of the Listing Manual;
- 8.3.5 The Share Price of CMA may fall below its current trading levels if the Revised Offer fails; and
- 8.3.6 The Offeror has no present intention to make any major changes to the existing business of the Company.

For the purposes of providing this letter and our evaluation of the Revised Offer for Shares from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, an opinion on the future growth prospects and earnings potential of the Company. We are therefore not expressing any opinion herein as to the price at which the Shares may trade or on the future financial performance of the Company.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Shareholder and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors.

² Includes acceptances of 100,593,406 Shares which are subject to the Shareholders' Right of Withdrawal as outlined in section 3.1 in CapitaLand's Dealing Disclosure and Level of Acceptances for 16 May 2014

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Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinion also does not incorporate an assessment of the price at which the Shares may trade following the success or failure of the Revised Offer. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Revised Offer.

We have considered the Factors in favour of the Final Offer Price and the Factors against the Final Offer Price in the context of a non-change of control transaction. We note that the Factors in favour of the Final Offer Price outweigh in number the Factors against the Final Offer Price. In particular, the Final Offer Price's valuation ratios are higher than the mean and median of the Comparable Companies which reflect the current market valuation of the Singapore and China property sectors and are higher than the mean and median of the Singapore Property Precedent Transactions which reflect the premiums paid previously for property privatisation transactions.

Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date the terms of the Revised Offer are fair and reasonable from a financial point of view in the context of a non-change of control transaction.

We note that the Independent Directors may wish to consider advising Shareholders who:

- i. Wish to realise their investments in the Company at this time but are unable to sell their Shares in the open market at a price (after deduction of related expenses) higher than the Final Offer Price; and/or
- ii. Believe that the current market price of the Shares may decrease; and/or
- iii. Believe that even if the Company remains listed, trading liquidity may reduce materially; and/or
- iv. Believe that a higher offer may not be made; and/or
- v. Are uncertain of the longer term performance and prospects of the Company, either on status quo basis or under the stewardship of the Offeror,

that such Shareholders may wish to consider selling a portion or all of their Shares in the open market or tendering Shares pursuant to the Revised Offer. If the Independent Directors make a recommendation to Shareholders to tender Shares in acceptance of the Revised Offer or sell Shares in the open market, the Independent Directors may also wish to consider highlighting that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Revised Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

The Independent Directors may also wish to consider advising Shareholders who:

- i. Do not currently wish to realise their investments in the Company; and/or
- ii. Believe that the current market price of the Shares may increase; and/or
- iii. Believe that a higher offer may be made³; and/or
- iv. Believe that there may be material incremental value to be realised in the future as a result of initiatives being executed by the Company; and/or
- v. Hold a favourable view of the Company's prospects and believe that they will be able to realise greater value from continuing to own their Shares,

that such Shareholders may wish to consider retaining a portion or all of their Shares. If the Independent Directors make a recommendation to Shareholders to retain their Shares, the Independent Directors may also wish to consider highlighting that there is no assurance that the prices of the Shares will remain at current levels after the close or lapse of the Offer; and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

Furthermore, the Independent Directors may wish to consider advising Shareholders who are considering retaining a portion or all of their Shares, that in the event the Company is delisted, such Shareholders would hold Shares in an unquoted company. We note that the Offeror's preference, as according to the Offer Revision Announcement, is to delist the Company, although it has no obligation to do so.

We wish to emphasise that we have been appointed to render our opinion as of the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company. This letter is addressed to the Independent Directors solely for their benefit in connection with the Revised Offer and should not be relied on by any other party or for any other purpose. This opinion does not constitute and should not be relied on, as advice or a recommendation to, or confer any rights or remedies upon, any third party including, without limitation, any Shareholder. Nothing herein shall confer or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore shall not apply. The recommendations made by the Independent Directors to the Shareholders in relation to the Revised Offer remain the sole responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with the laws and courts of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. No other person may use, reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner except with Deutsche Bank's prior written consent in each specific case.

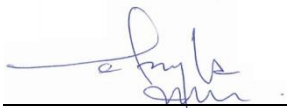
³ We note that CapitaLand has announced that they will not revise the Final Offer Price. As such, any higher offer would have to be made by another party.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

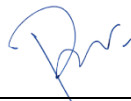
Yours faithfully,

For and on behalf of

Deutsche Bank AG, Singapore Branch



Charles Neo
Managing Director



Tan Boon Kee
Managing Director

APPENDIX 2 – GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr Ng Kee Choe	9 Wiltshire Road Singapore 466385	Chairman and Non-Independent Non-Executive Director
Mr Lim Ming Yan	8 Mount Sinai Lane Henry Park Singapore 276999	Non-Independent Non-Executive Director
Mr Lim Tse Ghow Olivier	335 Bukit Timah Road #15-01 Wing On Life Garden Singapore 259718	Non-Independent Non-Executive Director
Mr Sunil Tissa Amarasuriya	46 Coronation Road West #08-04 Astrid Meadows Singapore 269262	Independent Non-Executive Director
Tan Sri Amirsham A Aziz	D-6-1, Block D, No. 2 Tijani 2 Jalan Tijani 2 Off Jalan Langgak Tunku Bukit Tunku 50480 Kuala Lumpur Malaysia	Independent Non-Executive Director ⁽¹⁾
Dr Loo Choon Yong	46 Leedon Road Singapore 267857	Lead Independent Non-Executive Director
Mrs Arfat Pannir Selvam	15 Ringwood Road Singapore 437410	Independent Non-Executive Director ⁽¹⁾
Mr Bob Tan Beng Hai	1 Belmont Road #09-00 The Belmont Singapore 269852	Independent Non-Executive Director
Professor Tan Kong Yam	23 Jalan Mengkudu Sembawang Hills Estate Singapore 577399	Independent Non-Executive Director
Mr Lim Beng Chee	214 Upper East Coast Road #13-04 Eastern Lagoon Singapore 466402	Chief Executive Officer and Executive Director

Note:

- (1) As set out in Section 7 of the Offeree Circular, Tan Sri Amirsham A Aziz and Mrs Arfat Pannir Selvam are Independent Non-Executive Directors of the Company for the purposes of the Singapore Code of Corporate Governance.

APPENDIX 2 – GENERAL INFORMATION

2. BACKGROUND INFORMATION

The Company is a company incorporated in Singapore on 12 October 2004 with its registered office at 39 Robinson Road, #18-01, Robinson Point, Singapore 068911. The Company is a public company incorporated in Singapore with a primary listing on the SGX-ST and a secondary listing on the HKSE.

The Group is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. The Group has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. As at the Latest Practicable Date, the Group has interests in and manages a pan-Asian portfolio of 104 shopping malls across 53 cities in the five countries of Singapore, China, Malaysia, Japan and India.

3. SHARE CAPITAL

- 3.1 Issued Shares.** As at the Latest Practicable Date, the Company has an issued share capital of S\$4,630,181,735 comprising 3,897,695,302 issued Shares. The Shares are quoted and listed on the Mainboard of the SGX-ST and the Main Board of the HKSE. As at the Latest Practicable Date, there are contingent and unvested awards granted under the Share Plans pursuant to which up to an aggregate of 27,601,281 Shares may be vested and released/issued (subject to fulfillment of the terms of the awards or otherwise in accordance with the terms of the Share Plans). As at the Latest Practicable Date, the Company does not have any outstanding instruments convertible into, rights to subscribe for, or options in respect of, Shares or securities which carry voting rights in the Company or which otherwise affect the Shares, and does not hold any treasury shares.

Pursuant to the resolution passed at the FY2013 AGM, the Company expects to issue 129,133 Shares (“**NED Shares**”) (based on the volume-weighted average price of a share of the Company on the SGX-ST (rounded off to the nearest two decimal places) over the 14 trading days from (and including) 29 April 2014, being the ex-dividend date following the FY2013 AGM, on or around 3 June 2014 in payment of the FY2013 Directors’ Fees, on such terms as the Board or a committee thereof may determine. The NED Shares will be issued to Mr Ng Kee Choe (as to 19,916 NED Shares), Dr Loo Choon Yong (as to 22,085 NED Shares), Mr Sunil Tissa Amarasuriya (as to 19,035 NED Shares), Tan Sri Amirsham A Aziz (as to 13,206 NED Shares), Mrs Arfat Pannir Selvam (as to 16,681 NED Shares), Mr Bob Tan Beng Hai (as to 18,300 NED Shares) and Professor Tan Kong Yam (as to 19,910 NED Shares).

From the end of FY2013 to the Latest Practicable Date, the Company has issued 5,202,085 new Shares as a result of the vesting of share awards under the Share Plans which rank *pari passu* with all Shares. The Company does not have any other class of share capital as at the Latest Practicable Date.

There is no restriction in the Articles of Association of the Company on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to members of the Company or to any other person.

- 3.2 Rights in Respect of Capital, Dividends and Voting.** The rights of Shareholders in respect of capital, dividends and voting in relation to the Shares are contained in the Articles of Association of the Company. For ease of reference, selected extracts of the Articles of Association of the Company in respect of capital, dividends and voting have been reproduced in Appendix 6 to the Offeree Circular.

APPENDIX 2 – GENERAL INFORMATION

4. DISCLOSURE OF INTERESTS

4.1 Interests and Dealings of Company in Shares and Convertible Securities of the Offeror. As at the Latest Practicable Date, neither the Company nor any of its subsidiaries:

- (a) has any direct or deemed interests in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i); and
- (b) has dealt in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.2 Interests and Dealings of Directors in Shares and Convertible Securities of the Offeror. As at the Latest Practicable Date, none of the Directors:

- (a) has any direct or deemed interests in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i); and
- (b) has dealt in (i) any shares of the Offeror or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests and Dealings of Directors in Shares and Convertible Securities of the Company. Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or deemed interests in (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i).

A. Interest in Shares of the Company

Name of Director	Interest in Shares			
	Direct No. of Shares	%	Indirect No. of Shares	%
Mr Ng Kee Choe ⁽¹⁾	130,000	0.0033	Nil	Nil
Mr Lim Ming Yan ⁽¹⁾	99,774	0.0026	Nil	Nil
Mr Lim Tse Ghow Olivier ⁽¹⁾	946,561	0.0243	Nil	Nil
Mr Sunil Tissa Amarasuriya	82,846	0.0021	Nil	Nil
Tan Sri Amirsham A Aziz ⁽¹⁾	18,700	0.0005	Nil	Nil
Dr Loo Choon Yong	842,794	0.0216	Nil	Nil
Mrs Arfat Pannir Selvam ⁽¹⁾	105,800	0.0027	Nil	Nil
Mr Bob Tan Beng Hai	Nil	Nil	Nil	Nil
Professor Tan Kong Yam	57,640	0.0015	Nil	Nil
Mr Lim Beng Chee ⁽¹⁾	611,200	0.0157	Nil	Nil

Note:

(1) See paragraph 4.4. below.

APPENDIX 2 – GENERAL INFORMATION

B. Interests in Share Awards of the Share Plans

Mr Lim Beng Chee, the Executive Director, is also the Chief Executive Officer of the Company. Mr Lim was granted share awards under the Share Plans.

The interests of Mr Lim Beng Chee in the outstanding share awards under the Share Plans as at the Latest Practicable Date are set out below.

Share Awards	Shares under the Baseline Award	Number of Shares which may be released/issued
Contingent award of Performance Shares to be delivered after 2016	244,776	0 to 416,119 ⁽¹⁾
Contingent award of Performance Shares to be delivered after 2015	237,000	0 to 414,750 ⁽¹⁾
Contingent award of Performance Shares to be delivered after 2014	237,000	0 to 414,750 ⁽¹⁾
Contingent award of Restricted Shares to be delivered after 2014	161,317	0 to 241,976 ⁽¹⁾⁽²⁾
Unvested Restricted Shares to be delivered after 2013	90,400 ⁽³⁾	90,400 ⁽³⁾
Unvested Restricted Shares to be delivered after 2012	60,000 ⁽⁴⁾	60,000 ⁽⁴⁾

Notes:

- (1) Unless otherwise determined in accordance with the Share Plans, the number of Shares, the vesting and release schedule and the related conditions are described in this footnote (1) as follows: the final number of Shares released/issued will depend on the achievement of pre-determined targets (i) over a three-year performance period (in respect of Performance Shares) or (ii) at the end of a one-year performance period and the release will be over a vesting period of three years (in respect of Restricted Shares). No Shares will be released/issued if the threshold targets are not met at the end of the relevant performance period. On the other hand, if superior targets are met, more Shares than the baseline award could be released/issued. For awards granted under the Company's Performance Share Plan, the maximum number of Shares released/issued will be 175% of the baseline award for 2012 and 2013 awards. From 2014 onwards, the maximum number of Shares released/issued will be 170% of the baseline award. For awards granted under the Company's Restricted Stock Plan, the maximum number of Shares released/issued will be 150% of the baseline award.
- (2) Unless otherwise determined in accordance with the Share Plans, on the final vesting, an additional number of Shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the Company's Restricted Stock Plan, will also be released/issued.
- (3) Being the unvested two-thirds of the award, which shall vest in accordance with or as determined under the Share Plans.
- (4) Being the unvested one-third of the award, which shall vest in accordance with or as determined under the Share Plans.

APPENDIX 2 – GENERAL INFORMATION

None of the Directors has dealt in (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.4 Directors' Intentions with regard to the Offer. The Relevant Directors, namely Mr Ng Kee Choe, Mr Lim Ming Yan, Mr Lim Tse Ghov Olivier, Tan Sri Amirsham A Aziz, Mrs Arfat Pannir Selvam and Mr Lim Beng Chee have already tendered their acceptance of the Offer in respect of their shareholdings in full. They intend to accept the Offer⁶ and (to the extent entitled to do so) will not withdraw their respective acceptances during the Offer period. The Independent Directors intend to accept the Offer⁶ in respect of their shareholdings in full if and when the Company's free float⁷ becomes less than 10% prior to the close of the Offer.

4.5 Interests and Dealings of the IFA in Shares and Convertible Securities of the Company. None of the Corporate Finance Division of DB, Deutsche Bank AG, Hong Kong Branch (collectively, the "Relevant DB Entities") or funds whose investments are managed by the Relevant DB Entities on a discretionary basis:

- (a) owns or controls any (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i); and
- (b) has dealt in (i) any Shares or (ii) Convertible Securities, Warrants, Options and Derivatives in respect of (i), during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts. As at the Latest Practicable Date, there are no service contracts between any Director or proposed Director with the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation. In addition, there are no service contracts entered into or amended between any Director or proposed Director, with the Company during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.2 Arrangements affecting Directors. Save as disclosed in Section 3 of the Offeree Circular, it is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer. There are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer. There are also no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

6. FINANCIAL INFORMATION ON THE GROUP

Set out below is certain financial information extracted from the unaudited consolidated financial statements of the Group for the three months ended 31 March 2014 reviewed by KPMG LLP and the IFA as announced by the Company on 6 May 2014 and from the audited consolidated financial statements of the Group for FY2011, FY2012 and FY2013, respectively. The financial information set out below should be read together with the audited consolidated financial statements of the Group for the relevant financial periods and the accompanying notes as set out in the Annual

⁶ Including in relation to the NED Shares referred to in paragraph 3.1 of Appendix 2 of this Supplemental Letter.

⁷ The Company's free float is as determined in accordance with Rule 723 of the SGX-ST Listing Manual, being the percentage of the total number of issued shares (excluding treasury shares), that is held by the public (as such term is defined under the SGX-ST Listing Manual).

APPENDIX 2 – GENERAL INFORMATION

Reports for FY2011, FY2012 and FY2013, and the Company's announcement on the unaudited consolidated financial statements of the Group for the three months ended 31 March 2014 and its accompanying notes. Copies of all of the above are available for inspection at the registered address of the Company during normal business hours for the period during which the Offer remains open for acceptance.

Summary Income Statements

	1Q2014 S\$'000	FY2013 S\$'000	FY2012 S\$'000	FY2011 S\$'000
Revenue	125,003	380,416	361,178	246,173
Exceptional Items	-	-	-	-
Profit before taxation	97,461	680,181	616,587	568,559
Profit after tax and non-controlling interests (after exceptional items)	75,288	600,008	546,018	456,008
Profit after tax and non-controlling interests (before exceptional items)	75,288	600,008	546,018	456,008
Non-controlling Interests	11,442	14,119	12,830	38,210
Basic earnings per Share (cents) (before exceptional items)	1.9	15.4	14.0	11.7
Basic earnings per Share (cents) (after exceptional items)	1.9	15.4	14.0	11.7

Dividends

Set out below is also a summary of the net dividend per Share declared in respect of each of FY2011, FY2012 and FY2013 by the Company. This information has been extracted from the Company's Annual Reports for FY2011, FY2012 and FY2013. No dividend has been declared for the three months ended 31 March 2014.

Dividend	cents
In respect of FY2013 (including interim dividend of 1.75 cents)	3.50
In respect of FY2012 (including interim dividend of 1.625 cents)	3.25
In respect of FY2011 (including interim dividend of 1.5 cents)	3.00

Statements of financial position of the Group for FY2013 and the three months ended 31 March 2014 are set out in the audited consolidated financial statements of the Group for FY2013 and the unaudited consolidated financial statements of the Group for the three months ended 31 March 2014 are reproduced in Appendices 4 and 5 to the Offeree Circular respectively.

APPENDIX 2 – GENERAL INFORMATION

7. MATERIAL CHANGES IN FINANCIAL POSITION OR INFORMATION

Save as disclosed in the unaudited consolidated financial statements of the Group for the three months ended 31 March 2014 and any other information on the Group which is publicly available (including without limitation, the announcements released by the Company on the SGX-ST), there have been no material changes to the financial position of the Group since 31 December 2013, being the date of the last published audited accounts of the Group.

Save as disclosed in this Supplemental Letter, the Offeree Circular and any other information on the Group and the Offer which is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

8. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Group which are disclosed in Note 2 of the audited consolidated financial statements of the Group for FY2013 are reproduced in Appendix 4 to the Offeree Circular.

9. CHANGES IN ACCOUNTING POLICIES

Saved as disclosed in paragraphs 4 and 5 of the unaudited consolidated financial statements of the Group for the three months ended 31 March 2014 as reproduced in Appendix 5 to the Offeree Circular, the Group has applied the same accounting policies and methods of computation as in the audited consolidated financial statements of the Group for FY2013. Save for the aforesaid, there is no change in the accounting policies of the Group which will cause the figures disclosed in this Supplemental Letter or the Offeree Circular not to be comparable to a material extent.

10. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in Section 10 of Appendix 2 to the Offeree Circular, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries have entered into any material contracts with Interested Persons (other than those entered into in the ordinary course of business) during the period commencing three years before the Offer Announcement Date and ending on the Latest Practicable Date.

11. MATERIAL LITIGATION

As at the Latest Practicable Date, the Group is not engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of the Group as a whole. The Directors are not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position of the Group taken as a whole.

12. VALUATION OF REVALUED PROPERTIES

The Company has commissioned independent valuations of the Revalued Properties. The Valuation Reports (which include the basis of the respective valuations) are set out in Appendix 7 to the Offeree Circular. Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation. Based on

APPENDIX 2 – GENERAL INFORMATION

information provided to the Company by the Valuers, the potential tax liabilities that may be incurred by the Group on the hypothetical disposal of the Revalued Properties is set out in Section 12 of Appendix 2 to the Offeree Circular. The aforesaid tax liabilities will not crystallise if the Group does not dispose of its interests in the Revalued Properties. As at the date of this Supplemental Letter, the Company has no immediate plans to dispose of its interests in the Revalued Properties, and as such, the aforesaid tax liabilities are not likely to crystallise.

13. GENERAL

- 13.1 Costs and Expenses.** All expenses and costs incurred by the Company in relation to the Offer (including the Offer) will be borne by the Company.
- 13.2 Consent of KPMG LLP.** KPMG LLP has given and has not withdrawn its written consent to the issue of this Supplemental Letter, with the inclusion herein of its name in the form and context in which they appear in this Supplemental Letter.
- 13.3 Consent of the IFA.** DB has given and has not withdrawn its written consent to the issue of this Supplemental Letter, with the inclusion herein of its name, the Supplemental IFA Letter, and its advice, recommendation, opinion and any information contained in the Supplemental IFA Letter, in the form and context in which they appear in this Supplemental Letter.
- 13.4 Information on the Offeror and CapitaLand.** Information on the Offeror and CapitaLand is set out in Appendix 3 to the Offeree Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the documents referred to in Section 14 of Appendix 2 to the Offeree Circular;
- (b) the Supplemental IFA Letter as set out in **Appendix 1** to this Supplemental Letter; and
- (c) the letters of consent of KPMG LLP and the IFA, referred to in **paragraphs 13.2 and 13.3** above.