CAPITALAND LIMITED

(Registration Number: 198900036N)

2019 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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CAPITALAND LIMITED
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1(a)(i) Income Statement

		Group					
	Note	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) %	FY 2019 S$'000	FY 2018 S$'000	Better/ (Worse) %
Revenue	A	**2,375,921**	**1,624,452**	**46.3**	**6,234,764**	**5,602,423**	**11.3**
Cost of sales	B	(1,457,549)	(838,067)	(73.9)	(3,234,962)	(2,912,981)	(11.1)
Gross profit		918,372	786,385	16.8	2,999,802	2,689,442	11.5
Other operating income	C	948,781	234,476	304.6	1,772,158	990,028	79.0
Administrative expenses	D	(236,053)	(171,308)	(37.8)	(608,740)	(450,692)	(35.1)
Other operating expenses	E	(72,320)	(31,983)	(126.1)	(84,385)	(43,187)	(95.4)
Profit from operations		1,558,780	817,570	90.7	4,078,835	3,185,591	28.0
Finance costs		(233,095)	(168,206)	(38.6)	(839,141)	(636,495)	(31.8)
Share of results (net of tax) of:	F						
- associates		225,429	128,124	75.9	643,824	625,021	3.0
- joint ventures		149,093	186,499	(20.1)	344,951	334,386	3.2
		374,522	314,623	19.0	988,775	959,407	3.1
Profit before taxation		1,700,207	963,987	76.4	4,228,469	3,508,503	20.5
Taxation	G	(324,982)	(255,508)	(27.2)	(814,828)	(658,691)	(23.7)
Profit for the period/ year		1,375,225	708,479	94.1	3,413,641	2,849,812	19.8
Attributable to:							
Owners of the Company ("PATMI")		**926,593**	**475,651**	**94.8**	**2,135,894**	**1,762,493**	**21.2**
Non-controlling interests ("NCI")		448,632	232,828	(92.7)	1,277,747	1,087,319	(17.5)
Profit for the period/ year		1,375,225	708,479	94.1	3,413,641	2,849,812	19.8

1(a)(ii) Explanatory Notes to Income Statement – 4Q 2019 vs 4Q 2018

(A) Revenue

Revenue for 4Q 2019 increased by 46% or $751.5 million on account of contribution from newly acquired Ascendas Pte Ltd and Singbridge Pte. Ltd. (collectively "ASB") and consolidation of Raffles City Chongqing (RCCQ) project, higher rental revenue from our malls in Singapore and China, as well as lodging properties in the United States of America (USA), partially offset by lower contributions from our residential projects in Singapore and Vietnam.

In 4Q 2019, ASB and RCCQ contributed to the Group's revenue, Earnings before interest and tax ("EBIT") and PATMI by $892.3 million, $523.4 million and $364.1 million respectively.

(B) Cost of Sales

In line with higher revenue, cost of sales also increased but at a higher rate as the proportion of revenue from development projects, which had lower gross profit margin relative to rental income from investment properties, were higher this quarter. In addition, the Group wrote back provision for foreseeable losses mainly in respect of residential properties in Singapore amounting to $26.5 million in 4Q 2018.

(C) Other Operating Income

		Group		
		4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)
Other Operating Income		**948,781**	**234,476**	**304.6**
Investment income		2,014	2,953	(31.8)
Interest income		32,577	27,932	16.6
Other income (including portfolio gains)	(i)	368,005	51,497	614.6
Fair value gains of investment properties	(ii)	546,185	152,094	259.1

(i) Other income in 4Q 2019 included portfolio gains arising from the divestments of 30 business park properties in Singapore and USA to Ascendas REIT, a serviced residence in Hong Kong, a mall in Singapore, as well as gains arising from a step-up acquisition of an investment in a residential project in China.

(ii) The Group registered a net fair value gain of $546.2 million in 4Q 2019 in respect of its portfolio of investment properties held through subsidiaries in Singapore, China, Vietnam and Europe, of which $105.7 million was realised fair value gains arising from the divestments of serviced residence properties in Singapore and China.

The impact of valuation of investment properties held through associates and joint ventures is included in the Share of results of Associates and Joint Ventures (See note (F)).

(D) Administrative Expenses

	Group		
	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)
Administrative Expenses	**(236,053)**	**(171,308)**	**(37.8)**
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(47,610)	(21,448)	(122.0)
Allowance for doubtful receivables and bad debts written off	(1,239)	(4,311)	71.3

Administrative expenses comprised staff costs, depreciation, professional fees and other miscellaneous expenses. The increase in administrative expenses in 4Q 2019 was mainly due to the consolidation of administrative expenses from ASB and RCCQ, higher depreciation expenses, of which $16.0 million was attributable to the depreciation of right-of-use (ROU) assets arising from the adoption of SFRS(I) 16 *Leases*.

(E) Other Operating Expenses

The increase in other operating expenses in 4Q 2019 was mainly due to the impairment of our investments in Australia, Malaysia and Indonesia amounting to $25.9 million (4Q 2018: $12.5 million), as well as higher foreign exchange losses of $36.4 million (4Q 2018: $5.0 million). The foreign exchange losses arose mainly from the revaluation of INR, AUD and EURO receivables as SGD appreciated against these currencies as well as a realised loss recognised upon receipt of RMB receivables during the quarter.

(F) Share of Results (net of tax) of Associates and Joint Ventures

The higher share of results from associates was mainly attributable to newly acquired Ascendas REIT and Ascendas India Trust, higher handover of units from a residential project in China and absence of a revaluation loss for a property in Abu Dhabi, the United Arab Emirates, partially offset by lower fair value gains from revaluation of investment properties under China funds.

The lower share of results from joint ventures was mainly due to lower fair value gains from joint venture malls and handover of residential units in China, as well as share of pre-operating expenses incurred for a residential project in Singapore. The lower share of results was partially mitigated by contributions from residential projects in China held through the joint ventures of ASB.

(G) Taxation expense and adjustments for over or under-provision of tax in respect of prior years

The taxation expense includes current and deferred tax expenses, as well as land appreciation tax (LAT) in China. The current tax expense is based on the statutory tax rates of the respective countries in which the Group operates and takes into account non-deductible expenses and temporary differences.

The increase in taxation was mainly due to higher taxable income arising from consolidation of ASB and higher fair value gains on revaluation of properties. Included in 4Q 2019 tax expense was a tax writeback of $6.9 million in respect of prior years (4Q 2018: writeback of tax provision of $26.1 million in respect of prior years).

(H) Gain/(Loss) from the sale and acquisition of investments

The net gains from the sale and acquisition of investments in 4Q 2019 are as follows:

4Q 2019	PATMI (S$M)
2 business park properties in Singapore	58.5
28 business park properties in the United States of America	44.1
Citadines Mercer, Hong Kong	47.3
Somerset Liang Court, Singapore	37.7
The Star Vista, Singapore	32.0
Others (include a property held by a fund)	29.2
Total	**248.8**
4Q 2018	
Citadines Harbourview, Hong Kong	57.9
Two malls in China	16.9
Others (mainly realisation of FCTR, writeback of tax provisions relating to past divestments)	(14.7)
Total	**60.1**

1(a)(iii) Statement of Comprehensive Income

	Group					
	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) %	FY 2019 S$'000	FY 2018 S$'000	Better/ (Worse) %
Profit for the period / year	1,375,225	708,479	94.1	3,413,641	2,849,812	19.8
Other comprehensive income:						
Items that are/may be reclassified subsequently to profit or loss						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations [1]	(357,476)	(117,410)	(204.5)	(206,259)	(237,739)	13.2
Effective portion of change in fair value of cash flow hedges [2]	(49,177)	(41,090)	(19.7)	(70,176)	17,832	NM
Share of other comprehensive income of associates and joint ventures [3]	(47,971)	(196,499)	75.6	(161,143)	(327,533)	50.8
Item that will not be reclassified subsequently to profit or loss						
Change in fair value of equity investments at fair value through other comprehensive income	145,391	1,992	NM	144,372	(4,047)	NM
Revaluation of a property, plant and equipment	6,161	-	NM	6,161	-	NM
Total other comprehensive income, net of tax	(303,072)	(353,007)	14.1	(287,045)	(551,487)	48.0
Total comprehensive income	1,072,153	355,472	201.6	3,126,596	2,298,325	36.0
Attributable to:						
Owners of the Company	**735,597**	**179,617**	**309.5**	**1,952,983**	**1,302,156**	**50.0**
Non-controlling interests	336,556	175,855	91.4	1,173,613	996,169	17.8
Total comprehensive income	1,072,153	355,472	201.6	3,126,596	2,298,325	36.0

Notes:

1. *4Q 2019's exchange differences arose mainly from the appreciation of SGD against USD and RMB by 2.09% and 1.71% respectively.*

   FY 2019's exchange differences arose mainly from the appreciation of SGD against RMB and USD by 1.69% and 0.72% respectively, partially mitigated by realisation of foreign exchange translation reserve relating to Chongqing CapitaLand Guyu Xiongguan Real Estate to profit and loss, as the company became a subsidiary of the Group following the acquisition of remaining stake held by Singbridge Pte. Ltd. and the disposal of CCRE.

2. *The effective portion of change in fair value of cash flow hedges for 4Q 2019 and FY 2019 arose mainly from the mark-to-market losses of the Group's interest rate swaps and cross currency swaps contracts which were entered into for hedging purposes.*

3. *The share of other comprehensive income of associates and joint ventures relates mainly to share of foreign currency translation reserve. 4Q 2019's share of exchange difference arose mainly from the appreciation of SGD against USD and RMB by 2.09% and 1.71% respectively, partially offset by depreciation of USD against RMB by 0.38%.*

   FY 2019's exchange differences arose mainly from the appreciation of SGD against RMB and USD by 1.69% and 0.72% respectively, as well as appreciation of USD against RMB by 0.96%.

1(b)(i) Balance Sheet

	Group			Company		
	31/12/2019	**31/12/2018**	**Change**	**31/12/2019**	**31/12/2018**	**Change**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Non-current assets						
Property, plant & equipment[(2)]	1,058,980	752,655	40.7	2,892	3,042	(4.9)
Right-of-use assets[(1),(2)]	209,537	-	NM	44,236	-	NM
Intangible assets[(2)]	988,081	634,715	55.7	436	405	*7.7*
Investment properties[(1),(2),(3)]	48,731,897	39,445,960	23.5	-	-	-
Subsidiaries	-	-	-	15,511,154	12,060,311	*28.6*
Associates & joint ventures[(2)(5)]	12,996,175	10,179,618	27.7	-	-	-
Other non-current assets	1,736,263	1,188,337	46.1	423	423	-
	65,720,933	**52,201,285**	**25.9**	**15,559,141**	**12,064,181**	**29.0**
Current assets						
Development properties for sale and stock [(2),(4)]	*7,725,059*	*5,128,551*	*50.6*	-	-	-
Trade & other receivables [(2),(4)]	*2,301,597*	*1,944,064*	*18.4*	*889,759*	*1,166,485*	*(23.7)*
Contract assets	-	*24,805*	*(100.0)*	-	-	-
Other current assets	*45,611*	*28,737*	*58.7*	-	-	-
Assets held for sale [(5)]	*385,111*	*260,276*	*48.0*	-	-	-
Cash & cash equivalents [(6)]	*6,167,606*	*5,059,839*	*21.9*	*18,098*	*15,156*	*19.4*
	16,624,984	**12,446,272**	**33.6**	**907,857**	**1,181,641**	**(23.2)**
Less: Current liabilities						
Trade & other payables [(2)]	*5,047,568*	*3,841,906*	*31.4*	*112,429*	*261,531*	*(57.0)*
Contract liabilities [(2)]	*1,501,306*	*908,487*	*65.3*	-	-	-
Short-term borrowings [(1),(2),(7)]	*3,950,053*	*3,193,456*	*23.7*	*656,689*	*571,750*	*14.9*
Current tax payable	*1,900,452*	*1,451,474*	*30.9*	*3,998*	*3,526*	*13.4*
Liabilities held for sale [(5)]	*27,797*	-	*NM*	-	-	-
	12,427,176	**9,395,323**	**32.3**	**773,116**	**836,807**	**(7.6)**
Net current assets	**4,197,808**	**3,050,949**	**37.6**	**134,741**	**344,834**	**(60.9)**
Less: Non-current liabilities						
Long-term borrowings[(1),(2),(7)]	27,461,010	20,440,489	34.3	1,205,308	1,479,690	(18.5)
Other non-current liabilities[(2)]	2,174,856	1,504,806	44.5	1,284,177	617,461	108.0
	29,635,866	**21,945,295**	**35.0**	**2,489,485**	**2,097,151**	**18.7**
Net assets	**40,282,875**	**33,306,939**	**20.9**	**13,204,397**	**10,311,864**	**28.1**
Representing:						
Share capital[(8)]	9,327,422	6,309,496	47.8	9,327,422	6,309,496	47.8
Revenue reserves	15,074,009	13,460,921	12.0	4,103,135	4,257,059	(3.6)
Other reserves[(9)]	(1,041,961)	(817,705)	27.4	(226,160)	(254,691)	(11.2)
Equity attributable to owners of the Company	23,359,470	18,952,712	23.3	13,204,397	10,311,864	28.1
Perpetual securities[(10)]	897,047	397,127	125.9	-	-	-
Non-controlling interests[(2)]	16,026,358	13,957,100	14.8	-	-	-
Total equity	**40,282,875**	**33,306,939**	**20.9**	**13,204,397**	**10,311,864**	**28.1**

Notes:

1. *The Group adopted SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information (see note 4 on page 14).*

2. *The Group consolidated ASB with effect from 30 June 2019. The consolidation of ASB increased the Group's property, plant & equipment, right-of-use assets, intangible assets, investment properties, associates & joint ventures, trade & other receivables, trade & other payables, contract liabilities, total borrowings, other non-current liabilities and non-controlling interest.*

3. *The increase was also due to fair value gains for the year and CapitaLand Retail China Trust's acquisition of two shopping malls in China from China Retail Funds, partially offset by the divestment of 30 business parks in Singapore and USA.*

4. *The increase was mainly due to the reclassification of prepayment for land to development properties for sale upon receipt of land title.*

5. *The assets and liabilities held for sale relate mainly to the reclassifications of three lodging properties in Singapore and China, as well as a shopping mall in China following the signing of agreements for their respective divestments. The assets and liabilities of these properties were reclassified accordingly as at 31 December 2019.*

6. *The cash balances as at 31 December 2019 included $2.0 billion held at CapitaLand Limited and its treasury vehicles (comprising CapitaLand Treasury Limited (CTL), CapitaMalls Asia Treasury Limited, The Ascott Capital Pte Ltd and Ascendas Pte Ltd).*

7. *The increase in the Group's total borrowings was mainly due to additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction as well as recognition of lease liabilities following the adoption of SFRS(I) 16.*

8. *The increase was due to the issuance of 862,264,714 shares at an issue price of S$3.50 per share for settlement of 50% of consideration for the acquisition of ASB.*

9. *The change in other reserves was mainly due to foreign currency translation differences arising from the appreciation of SGD against RMB during the year.*

10. *The increase was mainly due to issuance of S$500 million in aggregate principal amount of fixed rate subordinated perpetual notes at 3.65% per annum by CTL in October 2019.*

1(b)(ii) Group's borrowings (including lease liabilities)

	Group	
	As at 31/12/2019 S$'000	**As at 31/12/2018 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	1,754,803	867,999
Unsecured	2,195,250	2,325,457
Sub-Total 1	**3,950,053**	**3,193,456**
Amount repayable after one year:-		
Secured	8,967,674	5,739,319
Unsecured	18,493,336	14,701,170
Sub-Total 2	**27,461,010**	**20,440,489**
Total Debt	**31,411,063**	**23,633,945**
Cash	**6,167,606**	**5,059,839**
Total Debt less Cash	**25,243,457**	**18,574,106**

As at 31 December 2019, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately $6.9 billion.

Details of any collateral
Secured borrowings are generally secured by mortgages on the borrowing subsidiaries' investment properties (including those under development) or development properties for sale and assignment of all rights and benefits with respect to the properties mortgaged.

1(c) Consolidated Statement of Cash Flows

	4Q 2019 S$'000	4Q 2018 S$'000	FY 2019 $'000	FY 2018 $'000
Cash Flows from Operating Activities				
Profit after taxation	**1,375,225**	**708,479**	**3,413,641**	**2,849,812**
Adjustments for :				
Amortisation of intangible assets	5,942	4,969	18,461	11,165
Allowance/(Write back) for:				
- Foreseeable losses	-	(26,462)	(3,499)	(43,462)
- Impairment loss on receivables	6,154	9,177	10,477	10,001
- Impairment on interests in associates and joint ventures	18,251	12,454	18,251	12,454
- Impairment on property, plant and equipment	8,146	-	8,682	-
- Impairment on intangible assets	5,263	-	5,263	-
Share-based expenses	32,376	13,407	66,734	50,421
Net change in fair value of financial instruments	(7,574)	1,882	(11,412)	1,646
Depreciation of property, plant and equipment and right-of-use assets	41,815	16,238	118,418	63,338
Loss on disposal and write-off of property, plant and equipment	2,090	752	1,682	749
(Gain) / Loss on disposal of investment properties	(124,744)	288	(124,744)	(120,743)
Net fair value gain from investment properties and assets held for sale	(546,185)	(152,094)	(1,163,944)	(677,018)
Gain on disposal/liquidation/dilution of equity investments	(156,087)	(38,113)	(218,520)	(49,307)
Share of results of associates and joint ventures	(374,522)	(314,623)	(988,775)	(959,407)
Interest expense	233,095	168,206	839,141	636,495
Interest income	(32,577)	(27,932)	(98,323)	(88,006)
Taxation	324,982	255,508	814,828	658,691
	(563,575)	**(76,343)**	**(707,280)**	**(492,983)**
Operating profit before working capital changes	**811,650**	**632,136**	**2,706,361**	**2,356,829**
Changes in working capital				
Development properties for sale	673,413	(617,808)	338,357	346,320
Trade and other receivables	130,724	(113,871)	(144,263)	(489,363)
Contract assets	-	3,381	24,805	(273,262)
Trade and other payables	61,267	(250,990)	52,154	(202,755)
Contract liabilities	(775,233)	(243,974)	(199,094)	(787,809)
Restricted bank deposits	(10,560)	(5,959)	(61,034)	(6,870)
	79,611	**(1,229,221)**	**10,925**	**(1,413,739)**
Cash generated from operations	**891,261**	**(597,085)**	**2,717,286**	**943,090**
Taxation paid	(183,897)	(60,512)	(471,314)	(389,696)
Net cash generated from / (used in) Operating Activities	**707,364**	**(657,597)**	**2,245,972**	**553,394**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	210	411	6,831	1,092
Purchase of intangible assets and property, plant and equipment	(42,225)	(15,205)	(81,465)	(89,348)
(Investment in)/(Loans to)/Return of investments from associates and joint ventures	(76,495)	(371,907)	101,269	261,301
Deposits placed for acquisition of investment properties	52,433	(42,207)	-	(65,045)
Deposit received for disposal of investment property and subsidiaries	82,716	5,000	86,850	5,000
Acquisition/ Development expenditure of investment properties	(381,928)	(1,325,796)	(1,009,955)	(1,655,625)
Proceeds from disposal / (Investment in) other financial assets	3,441	(845)	(18,241)	(51,025)
Proceeds from disposal of investment properties	782,982	-	782,982	760,662
Proceeds from disposal of assets held for sale	-	18,128	386,300	253,936
Dividends received from associates, joint ventures and other investments	143,299	329,335	291,405	540,662
Acquisition of subsidiaries, net of cash acquired	(1,724)	(115,063)	(2,543,698)	(1,494,442)
Disposal of subsidiaries, net of cash disposed of	1,451,359	96,648	1,537,188	106,816
Settlement of hedging instruments	11,134	9,689	1,284	4,403
Interest income received	28,558	26,608	90,143	83,687
Restricted bank deposits	4,190	(441)	10,590	(17,678)
Net cash generated from / (used in) Investing Activities	**2,057,950**	**(1,385,645)**	**(358,517)**	**(1,355,604)**

1(c) Consolidated Statement of Cash Flows (cont'd)

	4Q 2019 S$'000	4Q 2018 S$'000	FY 2019 $'000	FY 2018 $'000
Cash Flows from Financing Activities				
Purchase of treasury shares	-	-	-	(341,825)
Contributions from non-controlling interests	30,227	295,010	593,708	498,378
Repayment of shareholder loans from non-controlling interests	(6,565)	(2,074)	(7,792)	(49,776)
Change in ownership interests in subsidiaries with no change in control	(53,475)	9,497	(118,370)	9,497
Proceeds from issue of perpetual securities by subsidiaries	496,617	-	645,579	-
Redemption of perpetual securities by a subsidiary	(150,000)	-	(150,000)	-
Proceeds from bank borrowings	1,874,703	4,691,741	9,529,542	8,605,165
Repayments of bank borrowings	(3,529,432)	(2,377,214)	(9,302,399)	(7,325,266)
Proceeds from issuance of debt securities	244,741	262,476	1,551,841	1,660,672
Repayments of debt securities and convertible bonds	(664,099)	(715,246)	(1,208,925)	(1,284,031)
Repayments of lease liabilities and finance lease payable	(26,133)	(576)	(63,256)	(2,931)
Dividends paid to non-controlling interests and perpetual securities holders	(191,635)	(138,608)	(844,382)	(743,596)
Dividends paid to shareholders	-	-	(501,007)	(504,087)
Interest expense paid	(275,595)	(237,483)	(890,764)	(731,691)
Bank deposits withdrawn/ (pledged) for bank facilities	172	156,097	(771)	(7,615)
Net cash (used in) / generated from in Financing Activities	**(2,250,474)**	**1,943,620**	**(766,996)**	**(217,106)**
Net increase / (decrease) in cash and cash equivalents	**514,840**	**(99,622)**	**1,120,459**	**(1,019,316)**
Cash and cash equivalents at beginning of the period / year	5,566,007	5,139,553	5,004,755	6,079,505
Effect of exchange rate changes on cash balances held in foreign currencies	(58,636)	(35,176)	(41,880)	(59,779)
Changes to Cash and cash equivalents reclassified to assets held for sale	39,187	-	(21,936)	4,345
Cash and cash equivalents at end of the period / year	**6,061,398**	**5,004,755**	**6,061,398**	**5,004,755**
Restricted cash deposits [1]	106,208	55,084	106,208	55,084
Cash and cash equivalents in the Balance Sheet [2]	**6,167,606**	**5,059,839**	**6,167,606**	**5,059,839**

Notes:

1. *These are deposits placed in escrow account for the acquisition of a subsidiary and bank balances pledged for bankers' guarantees issued to the subsidiaries' contractors and banking facilities, as well as bank balances required to be maintained as security for outstanding CapitaVoucher.*

2. *This includes $199.9 million in project accounts designated for development projects expenditure.*

Cash flows analysis

4Q 2019 vs 4Q 2018

In 4Q 2019, the Group generated net cash from operating activities of $707.4 million, mainly attributable to collections from development projects in China and Singapore. The net cash outflow from operating activities of $657.6 million for 4Q 2018 primarily due to the acquisition of Pearl Bank Apartment site in Singapore and deposits placed for acquisition of residential sites in China, mitigated by collections from development properties in China and Singapore.

The Group's net cash of $2,058.0 million in investing activities during the quarter mainly came from proceeds of disposal of investments (30 business park properties in USA and Singapore, a serviced residence in Hong Kong and a mall in Singapore), dividends received from associates and repayment of loans from joint ventures. The cash generated was partially used for development expenditure of properties and investment in associates.

Net cash used in financing activities for 4Q 2019 was $2,250.5 million, mainly for the net repayment of bank borrowings, redemption of debt securities as well as dividends to non-controlling interests. The cash used was partially mitigated by the proceeds from issuance of debt securities and perpetual securities.

CAPITALAND LIMITED
2019 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(d)(i) Statement of Changes in Equity

For the period ended 31/12/2019 vs 31/12/2018 – Group

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Perpetual Securities S$'000	Non-controlling Interests S$'000	**Total Equity S$'000**
As previously reported at 01/01/2019	**6,309,496**	**13,460,921**	**(817,705)**	**18,952,712**	**397,127**	**13,957,100**	**33,306,939**
Adoption of SFRS(I) 16[#]		(22,597)		**(22,597)**		1,572	**(21,025)**
As adjusted at 01/01/2019	**6,309,496**	**13,438,324**	**(817,705)**	**18,930,115**	**397,127**	**13,958,672**	**33,285,914**
Total comprehensive income							
Profit for the year		2,135,894		**2,135,894**		1,277,747	**3,413,641**
Other comprehensive income							
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(131,519)	**(131,519)**		(74,740)	**(206,259)**
Change in fair value of equity investments at fair value through other comprehensive income			136,147	**136,147**		8,225	**144,372**
Revaluation of a property, plant and equipment			6,161	**6,161**		-	**6,161**
Effective portion of change in fair value of cash flow hedges			(34,884)	**(34,884)**		(35,292)	**(70,176)**
Share of other comprehensive income of associates and joint ventures			(158,816)	**(158,816)**		(2,327)	**(161,143)**
Total other comprehensive income, net of income tax	-	-	(182,911)	**(182,911)**		(104,134)	**(287,045)**
Total comprehensive income	**-**	**2,135,894**	**(182,911)**	**1,952,983**		**1,173,613**	**3,126,596**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of treasury shares			596	**596**		-	**596**
Issue of new shares	3,017,926			**3,017,926**		-	**3,017,926**
Contributions from non-controlling interests (net)		-		**-**		606,048	**606,048**
Issue of perpetual securities (net)				**-**	645,579		**645,579**
Redemption of perpetual securities				**-**	(150,000)		**(150,000)**
Redemption of convertible bonds		18,483	(18,483)	**-**		-	**-**
Dividends paid/payable		(501,007)		**(501,007)**		(836,465)	**(1,337,472)**
Distribution attributable to perpetual securities		(12,628)		**(12,628)**	23,541	(10,913)	**-**
Distribution paid to perpetual securities				**-**	(19,200)		**(19,200)**
Reclassification of equity compensation reserve		1,245	(1,245)	**-**		-	**-**
Share-based payments			52,028	**52,028**		1,499	**53,527**
Total contributions by and distributions to owners	3,017,926	(493,907)	32,896	**2,556,915**	499,920	(239,831)	**2,817,004**
Changes in ownership interests in subsidiaries and other capital transactions							
Changes in ownership interests in subsidiaries with change in control		143,758	(141,668)	**2,090**		1,149,656	**1,151,746**
Changes in ownership interests in subsidiaries with no change in control		(96,510)	9,420	**(87,090)**		(32,422)	**(119,512)**
Share of reserves of associates and joint ventures		(36,043)	40,141	**4,098**		-	**4,098**
Others		(17,507)	17,866	**359**		16,670	**17,029**
Total changes in ownership interests in subsidiaries and other capital transactions	-	(6,302)	(74,241)	**(80,543)**	-	1,133,904	**1,053,361**
Total transactions with owners	**3,017,926**	**(500,209)**	**(41,345)**	**2,476,372**	**499,920**	**894,073**	**3,870,365**
Balance as at 31/12/2019	**9,327,422**	**15,074,009**	**(1,041,961)**	**23,359,470**	**897,047**	**16,026,358**	**40,282,875**

* *Includes reserve for own shares, foreign currency translation reserve, capital reserves, fair value reserve, equity compensation reserve and hedging reserve.*

[#] *Please refer to note 4.*

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 31/12/2019 vs 31/12/2018 – Group (cont'd)

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Perpetual Securities S$'000	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/01/2018	**6,309,496**	**12,178,999**	**(75,605)**	**18,412,890**	**397,127**	**13,307,807**	**32,117,824**
Total comprehensive income							
Profit for the year		1,762,493		**1,762,493**		1,087,319	**2,849,812**
Other comprehensive income							
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(125,062)	**(125,062)**		(112,677)	**(237,739)**
Change in fair value of equity investments at fair value through other comprehensive income			780	**780**		(4,827)	**(4,047)**
Effective portion of change in fair value of cash flow hedges			(10,176)	**(10,176)**		28,008	**17,832**
Share of other comprehensive income of associates and joint ventures			(325,879)	**(325,879)**		(1,654)	**(327,533)**
Total other comprehensive income, net of income tax	-	-	(460,337)	**(460,337)**	-	(91,150)	**(551,487)**
Total comprehensive income	**-**	**1,762,493**	**(460,337)**	**1,302,156**	**-**	**996,169**	**2,298,325**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of treasury shares			559	**559**		-	**559**
Purchase of treasury shares			(341,825)	**(341,825)**		-	**(341,825)**
Contributions from non-controlling interests (net)				**-**		506,404	**506,404**
Redemption of convertible bonds		24,433	(24,433)	**-**		-	**-**
Dividends paid/payable		(504,087)		**(504,087)**		(730,159)	**(1,234,246)**
Distribution attributable to perpetual securities		(8,586)		**(8,586)**	19,200	(10,614)	**-**
Distribution paid to perpetual securities				**-**	(19,200)		**(19,200)**
Reclassification of equity compensation reserve		4,034	(4,034)	**-**		-	**-**
Share-based payments			41,937	**41,937**		2,510	**44,447**
Total contributions by and distributions to owners	-	(484,206)	(327,796)	**(812,002)**	-	(231,859)	**(1,043,861)**
Changes in ownership interests in subsidiaries and other capital transactions							
Changes in ownership interests in subsidiaries with change in control		-	-	**-**		(104,652)	**(104,652)**
Changes in ownership interests in subsidiaries with no change in control		5,486	218	**5,704**		(1,825)	**3,879**
Share of reserves of associates and joint ventures		(18,468)	37,487	**19,019**		-	**19,019**
Others		16,617	8,328	**24,945**		(8,540)	**16,405**
Total changes in ownership interests in subsidiaries and other capital transactions	-	3,635	46,033	**49,668**	-	(115,017)	**(65,349)**
Total transactions with owners	**-**	**(480,571)**	**(281,763)**	**(762,334)**	**-**	**(346,876)**	**(1,109,210)**
Balance as at 31/12/2018	**6,309,496**	**13,460,921**	**(817,705)**	**18,952,712**	**397,127**	**13,957,100**	**33,306,939**

* *Includes reserve for own shares, foreign currency translation reserve, capital reserves, fair value reserve, equity compensation reserve and hedging reserve.*

1(d)(i) Statement of Changes in Equity (cont'd)

For the period ended 31/12/2019 vs 31/12/2018 – Company

	Share Capital S$'000	Revenue Reserves S$'000	Reserve for Own Shares S$'000	Capital Reserve S$'000	Equity Comp Reserves S$'000	**Total Equity S$'000**
Balance as at 01/01/2019	**6,309,496**	**4,257,059**	**(385,078)**	**111,282**	**19,105**	**10,311,864**
Total comprehensive income						
Profit for the year		330,305				**330,305**
Transactions with equity holders, recorded directly in equity						
Contributions by and distributions to owners						
Issue of new shares	3,017,926					**3,017,926**
Issue of treasury shares			42,853		(14,422)	**28,431**
Dividends paid		(501,007)				**(501,007)**
Share-based payments					16,878	**16,878**
Reclassification of equity compensation reserve		(1,705)			1,705	**-**
Redemption of convertible bonds		18,483		(18,483)		**-**
Total transactions with owners	**3,017,926**	**(484,229)**	**42,853**	**(18,483)**	**4,161**	**2,562,228**
Balance as at 31/12/2019	**9,327,422**	**4,103,135**	**(342,225)**	**92,799**	**23,266**	**13,204,397**
Balance as at 01/01/2018	**6,309,496**	**4,310,421**	**(78,514)**	**135,715**	**19,973**	**10,697,091**
Total comprehensive income						
Profit for the year		424,105				**424,105**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Purchase of treasury shares			(341,825)			**(341,825)**
Issue of treasury shares			35,261		(8,904)	**26,357**
Dividends paid		(504,087)				**(504,087)**
Share-based payments					10,223	**10,223**
Reclassification of equity compensation reserve		2,187			(2,187)	**-**
Redemption of convertible bonds		24,433		(24,433)		**-**
Total transactions with owners	**-**	**(477,467)**	**(306,564)**	**(24,433)**	**(868)**	**(809,332)**
Balance as at 31/12/2018	**6,309,496**	**4,257,059**	**(385,078)**	**111,282**	**19,105**	**10,311,864**

1(d)(ii) Changes in the Company's Issued Share Capital

Issued Share Capital

As at 31 December 2019, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 5,037,494,396 (31 December 2018: 4,162,813,855) ordinary shares. Movements in the Company's issued and fully paid-up capital were as follows:

	No. of Shares
As at 01/01/2019	4,162,813,855
Treasury shares transferred pursuant to employee share plans and payment of directors' fees	12,415,827
Issue of shares	862,264,714
As at 31/12/2019	**5,037,494,396**

CapitaLand Share Plans

Performance Share Plan

As at 31 December 2019, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 9,159,830 (31 December 2018: 9,503,007).

Under the PSP, the final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted with effect from 2015, the maximum is 200 percent of the baseline award. There is no vesting period for shares released under the PSP.

Restricted Share Plan

As at 31 December 2019, the number of shares comprised in contingent awards granted under the RSP in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 14,951,746 (31 December 2018: 9,816,496) and 13,174,208 (31 December 2018: 13,154,654) respectively, of which 2,707,549 (31 December 2018: 1,977,024) shares out of the former and 2,660,897 (31 December 2018: 2,769,330) shares out of the latter are to be cash-settled.

Under the RSP, the final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released up to a maximum of 150 percent of the baseline award. An additional number of shares of a total value equals to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 31 December 2019:

Principal Amount $ million	Final Maturity Year	Conversion price $	Convertible into new ordinary shares
650.00	2020	4.9782	130,569,282
650.00	2025	4.9697	130,792,603
326.75	2022	11.5218	28,359,284
199.25	2023	4.1936	47,512,876

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

Assuming all the convertible bonds are fully converted based on their respective conversion price, the number of new ordinary shares to be issued would be 337,234,045 (31 December 2018: 358,498,083) representing a 8.1% increase over the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2019.

Perpetual Securities

The Group's perpetual securities comprise perpetual securities and perpetual notes issued by its subsidiaries, Ascott Residence Trust ("ART") and CTL (collectively the "Issuers"). The perpetual securities comprise:

Perpetual Securities or Notes	Issue Date	Principal Amount $ million
ART		
- Fixed rate perpetual securities with an initial distribution rate of 4.68% per annum	30 June 2015	250
- Fixed rate perpetual securities with an initial distribution rate of 3.88% per annum	4 September 2019	150
Issued under CTL's S$5,000,000,000 Euro Medium Term Note Programme:		
- Fixed rate subordinated perpetual notes with an initial distribution rate of 3.65% per annum	17 October 2019	500

On 4 September 2019, ART issued S$150.0 million of fixed rate perpetual securities with an initial distribution rate of 3.88% per annum, with the first distribution rate reset falling on 4 September 2024 and subsequent resets occurring every five years thereafter. The proceeds were used to redeem the S$150.0 million perpetual securities with its first call date on 27 October 2019.

On 17 October 2019, CTL issued S$500.0 million of fixed rate subordinated perpetual notes guaranteed by the Company, with an initial distribution rate of 3.65% per annum with the first distribution reset falling on 17 October 2024 and subsequent resets occurring every five years thereafter.

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuers, the Issuers are considered to have no contractual obligations to repay the principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Disclosure and Presentation.* The whole instrument is presented within equity, and distributions are treated as dividends.

1(d)(iii) Treasury Shares

Movements in the Company's treasury shares were as follows:

	No of Shares
As at 01/01/2019	111,569,891
Treasury shares transferred pursuant to employee share plans and payment of directors' fees	(12,415,827)
As at 31/12/2019	**99,154,064**

As at 31 December 2019, the Company held 99,154,064 treasury shares which represents 2.0% of the total number of issued shares (excluding treasury shares).

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2019 as follows:

SFRS(I) 16: *Leases*
SFRS(I) INT 23*: Uncertainty over Income Tax Treatments*
Amendments to SFRS(I) 9: *Financial Instruments- Prepayment Features with Negative Compensation*
Amendments to SFRS(I) 1-28: *Investments in Associates and Joint Ventures- Long-term Interests in Associates and Joint Ventures*
Amendments to SFRS(I)1-19: *Employee Benefits- Plan Amendment, Curtailment or Settlement*
Annual Improvements to SFRS(I)s 2015 -2017

<u>SFRS(I) 16: *Leases*</u>
SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The adoption of SFRS(I) 16 results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Exceptions to this standard are short-term and low-value leases. The accounting for lessors was not changed significantly.

Under the standard, an asset (ROU asset) and a financial liability to pay rentals are recognised in the balance sheet and depreciation charge on the ROU assets and interest expenses on the lease liabilities are recognised in the income statement. Leases that meet the definition of investment property are presented within "Investment property" while the remaining is presented as "Right-of-use" assets in the Balance Sheet.

Lease liabilities are included as part of net debt and are taken into consideration when deriving the net debt-equity ratio.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group applied the practical expedient to grandfather the definition of the leases on transition and accordingly SFRS(I) 16 was applied to these lease contracts.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The differences from the balance sheet as previously reported at 31 December 2018 are as follows:

Balance sheet as at 1 January 2019

	Group Increase/ (Decrease) $'000
Right-of-use assets	108,194
Right-of-use assets included in investment properties	436,175
Interests in joint ventures	(22,141)
Lease liabilities	(548,780)
Trade and other payables	5,527
Net assets	**(21,025)**
Revenue reserves	(22,597)
Non-controlling interests	1,572
Total equity	**(21,025)**

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

6 Earnings per ordinary share (EPS) based on profit after tax & NCI attributable to the owners of the Company:

	Group			
	4Q 2019	4Q 2018	FY 2019	FY 2018
6(a) EPS based on weighted average number of ordinary shares in issue (in cents)	18.4	11.4	46.4	42.1
Weighted average number of ordinary shares (in million)	5,037.5	4,162.8	4,607.8	4,191.3
6(b) EPS based on fully diluted basis (in cents)	17.3	10.7	43.8	39.0
Weighted average number of ordinary shares (in million)	5,423.8	4,588.8	5,004.1	4,705.6

7 Net asset value and net tangible assets per ordinary share based on issued share capital (excluding treasury shares) as at the end of the period

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per share	$4.64	$4.55	$2.62	$2.48
Net tangible assets per share	$4.44	$4.40	$2.62	$2.48

8 Review of the Group's performance

Group Overview

S$M	4Q 2019	4Q 2018	Better/ (Worse) (%)	FY 2019	FY 2018	Better/ (Worse) (%)
Revenue	2,375.9	1,624.5	46.3	6,234.8	5,602.4	11.3
Earnings before Interest and Tax ("EBIT")	1,933.3	1,132.2	70.8	5,067.6	4,145.0	22.3
Finance costs	(233.1)	(168.2)	(38.6)	(839.1)	(636.5)	(31.8)
Profit Before Taxation	1,700.2	964.0	76.4	4,228.5	3,508.5	20.5
Total PATMI	926.6	475.7	94.8	2,135.9	1,762.5	21.2
Comprising:						
Operating PATMI(1)	418.3	213.8	95.7	1,057.2	872.2	21.2
Portfolio gains(2)	248.8	60.1	314.0	435.6	348.8	24.9
Revaluation gains and impairments	259.5	201.8	28.6	643.1	541.5	18.8

(1) Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations and impairments.

(2) Portfolio gains/losses comprise gains or losses arising from divestments, acquisitions, gains from bargain purchase or re-measurement on acquisitions and realised revaluation gains/losses arising from revaluation of investment properties to agreed selling prices of properties.

4Q 2019 vs 4Q 2018

For the quarter under review, the Group achieved a revenue of $2,375.9 million (4Q 2018: $1,624.5 million) and a PATMI of $926.6 million (4Q 2018: $475.7 million).

Revenue

Revenue for 4Q 2019 increased by 46% or $751.5 million mainly due to the consolidation of revenue of ASB and RCCQ, higher contributions from our malls in Singapore and China, as well as lodging properties in the USA, partially offset by lower contributions from our residential projects in Singapore and Vietnam. The residential projects which contributed to the revenue this quarter were Raffles City Residences, Chongqing, Vermont Hills, Beijing and Parc Botanica, Chengdu in China and Marine Blue in Singapore.

Collectively, the two core markets of Singapore and China accounted for 81.0% (4Q 2018: 77.5%) of the Group's revenue.

EBIT

Group EBIT for 4Q 2019 increased by 70.8% to $1,933.3 million (4Q 2018: $1,132.2 million) mainly attributed to the contributions from ASB, gains from the step-up acquisition of an investment in a residential project in China, higher portfolio and fair value gains.

At EBIT level, the portfolio gains for 4Q 2019 of $348.4 million (4Q 2018: $57.7 million) mainly related to the divestments of 30 business park properties in Singapore and USA, five lodging properties in Singapore, China, Hong Kong and Japan and a mall in Singapore. Portfolio gains for 4Q 2018 mainly arose from the divestment of Citadines Harbourview in Hong Kong.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $574.8 million in 4Q 2019 (4Q 2018: $305.0 million). The gain comprised $440.5 million (4Q 2018: $152.1 million) recorded by our subsidiary projects, $122.7 million (4Q 2018: $152.9 million) recorded through share of results of associates and joint ventures and $11.6 million pertained to an equity investment recognised in other operating income. The higher revaluation gain arose mainly from our portfolio of properties in Singapore, Vietnam, India, Australia and Europe, partially offset by lower revaluation gain from properties in China.

During the quarter, the Group made a net allowance for impairment amounting to $33.9 million (4Q 2018: write back of impairment of $5.0 million) mainly for our investments and development projects in India, Australia, Indonesia and Malaysia.

EBIT Contribution by Geography
Singapore and China markets remain the key contributors to EBIT, accounting for 85.3% of total EBIT (4Q 2018: 94.9%). Singapore EBIT was $766.2 million or 39.6% of total EBIT (4Q 2018: 30.2% or $342.1 million) while China EBIT was $883.3 million or 45.7% of total EBIT (4Q 2018: 64.7% or $732.3 million).

The increase in EBIT from Singapore was driven by the gains from divestment of four properties, contribution from ASB and newly operational malls as well as higher fair value gains from revaluation of investment properties. The higher EBIT from China was mainly due to higher contribution from ASB and residential projects handover.

PATMI
Overall, the Group achieved a PATMI of $926.6 million in 4Q 2019, 94.8% higher than the corresponding quarter. The increase was underpinned by better operating performance, higher gains realised from assets recycling, as well as revaluation of our portfolio of investment properties. Operating PATMI rose by 95.7% to $418.3 million during the quarter on account of contribution from newly acquired ASB and higher recurring income from our investment properties in Singapore and China.

FY 2019 vs FY 2018

The consolidation of ASB and RCCQ increased the Group's revenue, EBIT and PATMI by $1,097.5 million, $605.0 million and $365.8 million respectively for FY 2019.

Revenue
The Group reported 11.3% increase in revenue for FY 2019 to $6,234.8 million (FY 2018: $5,602.4 million) mainly attributed to contribution from ASB portfolio and higher rental revenue from our properties in Singapore, China, USA and Europe, partially offset by lower contributions from our residential projects in Singapore and China. The residential projects which contributed to the revenue in FY 2019 were Raffles City Residences, Chongqing, The Metropolis, Kunshan, Vermont Hills, Beijing and Parc Botanica, Chengdu in China, The Interlace, Sky Habitat and Marine Blue in Singapore, as well as D1MENSION and Mulberry Lane in Vietnam.

Collectively, the two core markets of Singapore and China accounted for 71.7% (FY 2018: 76.2%) of the Group's revenue.

In terms of asset class, residential, commercial strata and urban development constituted 33.3% or $2,074.0 million (FY 2018: 39.0% or $2,184.6 million) of the total revenue in FY 2019, while investment properties comprised commercial, retail, business park, logistics and industrial, as well as lodging properties which are recurring in nature, accounted for 66.7% or $4,160.8 million of total revenue (FY 2018: 61.0% or $3,417.8 million).

EBIT
The Group achieved an EBIT of $5,067.6 million (FY 2018: $4,145.0 million), 22.3% higher as compared to the previous year. The increase was largely due to consolidation of ASB, higher contributions from our properties in Singapore, China, USA and Europe, as well as higher fair value gains from revaluation of investment properties and assets recycling, partially offset by impairments during the year.

At EBIT level, the portfolio gains in FY 2019 of $679.8 million (FY 2018: $537.6 million) arose mainly from the divestments of 30 business park properties in Singapore and USA, six serviced residences in Singapore, China, Hong Kong and Japan, four retail malls in Singapore and China, as well as three commercial properties in Germany and China, partially offset by the transaction costs incurred for the acquisition of ASB.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $1,195.0 million in FY 2019 (FY 2018: $832.6 million). The higher revaluation gain arose mainly from revaluations of our portfolio of properties in Singapore, China, Vietnam, India, Australia and USA.

During the year, the Group made a net impairment amounting to $30.5 million (FY 2018: write back of impairment of $18.9 million) mainly for our investments and development projects in Australia, Indonesia and Malaysia. The write back of impairment in FY 2018 was in respect of residential projects in Singapore upon sale of units, partially offset by impairment made for an investment in India and development projects in China.

In terms of asset class, EBIT from residential, commercial strata and urban development was 19.6% or $992.2 million (FY 2018: 21.3% or $882.0 million) of the total EBIT in FY 2019. The Group's investment properties portfolio accounted for 80.4% or $4,075.4 million (FY 2018: 78.7% or $3,263.0 million) of the total EBIT.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 83.7% of total EBIT (FY 2018: 89.3%). Singapore EBIT was $1,953.3 million or 38.5% of total EBIT (FY 2018: $1,754.2 million or 42.3%) while China EBIT was $2,288.2 million or 45.2% of total EBIT (FY 2018: $1,946.2 million or 47.0%).

Singapore EBIT increased by 11.4% mainly due to contributions from ASB portfolio and newly operational malls, as well as higher gains from revaluation of investment properties, partially offset by lower gains from assets recycling and absence of writeback of provision for foreseeable losses from residential projects.

China EBIT increased by 17.6% mainly due to consolidation of ASB portfolio and RCCQ, higher gains from assets recycling and revaluation of investment properties and absence of impairment recognised in FY 2018, partially offset by lower handover of units from residential projects.

Finance Costs

Finance costs for FY 2019 were higher as compared to the FY 2018 mainly due to increase in the Group's borrowings resulted from the consolidation of ASB. However, the Group's average cost of borrowings for FY 2019 remained stable at 3.2% (FY 2018: 3.2%).

PATMI

Overall, the Group achieved a PATMI of $2,135.9 million in FY 2019, 21.2% increase over the prior year. The increase was underpinned by higher operating PATMI, higher gains realised from assets recycling and revaluation of investment properties, partially offset by net impairments made during the year. The higher operating PATMI was mainly attributable to contributions from ASB and higher recurring income from investment properties in Singapore, China and USA.

Segment Performance

In 2019, the Group re-organised its reporting structure into strategic business units (SBUs) by geography and asset class to more accurately reflect the way we manage our businesses. Our geographical SBUs comprise the Group's integrated capabilities in the residential, retail, commercial, industrial, logistics and business parks asset classes, strategically deployed in each market. The geographical SBUs are CapitaLand Singapore and International (comprising CL Singapore, Malaysia and Indonesia, CL Vietnam and CL International), CapitaLand China (CL China) and CapitaLand India (CL India). Our asset class SBUs comprise CapitaLand Lodging (CL Lodging) and CapitaLand Financial (CL Financial). CL Lodging, with its global network and scale, comprises the Group's lodging business. CL Financial is the real estate fund management unit comprising the Group's REIT managers and Fund managers.

For financial reporting, the Group's primary segment is based on its SBUs. The Group's secondary segment is reported by geographical locations, namely Singapore, China, other emerging markets and other developed markets.

For the purposes of additional disclosure, the Group has also elected to disclose segment reporting by asset class.

CL Singapore and International

S$M	4Q 2019	4Q 2018	Better/ (Worse) (%)	FY 2019	FY 2018	Better/ (Worse) (%)
Revenue						
CL SMI	516.8	518.3	(0.3)	1,886.2	2,052.8	(8.1)
CL Vietnam	7.1	39.4	(81.9)	63.6	71.3	(10.7)
CL International	76.0	47.3	60.9	267.1	129.9	105.7
Total	**599.9**	**605.0**	**(0.8)**	**2,216.9**	**2,254.0**	**(1.6)**
EBIT						
CL SMI	708.6	337.9	109.7	1,856.9	1,789.3	3.8
CL Vietnam	34.0	(8.9)	NM	81.3	37.1	119.0
CL International	125.7	48.6	159.0	269.6	92.1	192.7
Total	**868.3**	**377.6**	**130.0**	**2,207.8**	**1,918.5**	**15.1**

Revenue for residential projects in Singapore and Malaysia is recognised on a percentage of completion method while in Vietnam, the revenue for residential projects is recognised on a completion basis upon handover of units to home buyers.

Revenue for 4Q 2019 decreased marginally as the lower contributions from residential projects in Singapore and Vietnam were mitigated by the consolidation of revenue from ASB and contribution from a retail mall in Singapore, Funan, which became operational in June 2019.

The decrease in revenue for FY 2019 was mainly attributed to lower contributions from residential projects in Singapore, namely Victoria Park Villas, Sky Habitat and The interlace, as the projects are progressively fully sold, partially mitigated by contributions from ASB, the newly acquired properties in USA and Germany, as well as Funan in Singapore.

In 4Q 2019, CL Vietnam handed over 175 units (4Q 2018: 216 units) to home buyers mainly from joint venture project, Seasons Avenue. Including 271 units handed over in YTD September 2019, CL Vietnam delivered a total of 446 units (FY 2018: 1,422 units) in FY 2019.

EBIT for 4Q 2019 improved by 130.0% on account of higher gains realised from assets recycling, contributions from newly acquired ASB and multifamily portfolio and newly operational malls in Singapore, and fair value gains from revaluation of investment properties. During the quarter, portfolio gains of $178.9 million was recognised mainly from the divestment of 30 business park properties in USA and Singapore and The Star Vista in Singapore. EBIT for FY 2019 grew by a relatively lower 15.1% as the contribution from newly acquired investments as well as higher fair value gains from investment properties were partially offset by lower portfolio gains realised from divestments.

Sales of residential units represent future revenue to be recognised as the units are progressively completed and handed over. In 4Q 2019, 275 units (4Q 2018: 333 units) were sold in Singapore, Malaysia and Vietnam. This brings the total number of residential units sold to 1,200 units in FY 2019 (FY 2018: 1,266 units) with a realised sales value of $1,074.7 million (FY 2018: $739 million). The sales were mainly from One Pearl Bank and Sengkang Grand Residences in Singapore, Park Regent and genKL in Malaysia, as well as Feliz En Vista, Seasons Avenue and Vista Verde in Vietnam.

CL China

S$M	4Q 2019	4Q 2018	Better/ (Worse) (%)	FY 2019	FY 2018	Better/ (Worse) (%)
Revenue	1,360.1	722.1	88.4	2,552.6	2,216.4	15.2
EBIT	764.2	698.9	9.3	2,122.4	1,849.7	14.7

Revenue for CL China is recognised on a completion basis upon handover of units to home buyers.

Revenue for 4Q 2019 and FY 2019 was higher than previous corresponding period due to higher contribution from residential projects as the units handed over this quarter were from projects with higher average selling prices.

In 4Q 2019, CL China handed over 1,722 units to home buyers mainly from Raffles City Residences in Chongqing, Vermont Hills in Beijing and Parc Botanica in Chengdu (4Q 2018: 2,764 units). Including 3,668 units handed over in YTD September 2019, CL China delivered a total of 5,390 units in FY 2019 (FY 2018: 6,857 units).

Recurring income from investment properties contributed to approximately half of CL China's EBIT in FY 2019. EBIT for 4Q 2019 and FY 2019 increased in line with revenue, as well as contribution from projects in ASB portfolio. This was partially offset by lower fair value gains from revaluation of investment properties. EBIT for FY 2019 was further boosted by higher portfolio gains.

Sales of residential units represent future revenue to be recognised as the units are progressively completed and handed over. In 4Q 2019, CL China sold 1,574 units with a sales value of RMB 4.7 billion (4Q 2018: 2,368 units; RMB 5.0 billion). Higher year-on-year sales was achieved in FY 2019, with 5,268 units sold at a value of RMB 13.2 billion (FY 2018: 4,938 units; RMB 12.5 billion). The Group achieved an overall sales rate of 90% based on launched residential units as at December 2019. The current year sales were mainly from La Botanica in Xian, Century Park (East) in Chengdu, La Riva in Guangzhou, Raffles City Residences in Chongqing, Citta Di Mare in Guangzhou and Vermont Hills in Beijing.

The Group's portfolio of retail malls in China has maintained occupancy levels of 96%, and the retail component of RCCQ which was opened in September 2019 has since achieved 98% committed occupancy rate as at December 2019. For CL China's office portfolio, the Group maintained an average committed occupancy of 85%, while business parks, industrial and logistics portfolio acquired in June 2019 registered committed occupancy rates of 86% and 95% respectively as at 31 December 2019.

CL India

S$M	4Q 2019	4Q 2018	Better/ (Worse) (%)	FY 2019	FY 2018	Better/ (Worse) (%)
Revenue	12.6	-	NM	23.0	0.1	NM
EBIT	35.7	(13.1)	NM	38.7	(13.9)	NM

Revenue for 4Q 2019 and FY 2019 relates to the contribution from the ASB business park portfolio acquired in June 2019.

EBIT for 4Q 2019 and FY 2019 was mainly due to share of results of Ascendas India Trust and contributions from the business park portfolio. EBIT loss for 4Q 2018 and FY 2018 was due to an impairment made for a private fund.

CL Lodging

S$M	4Q 2019	4Q 2018	Better/ (Worse) (%)	FY 2019	FY 2018	Better/ (Worse) (%)
Revenue	365.3	295.7	23.5	1,390.6	1,127.5	23.3
EBIT	178.4	88.8	100.9	579.6	323.8	79.0

Revenue for 4Q and FY 2019 was higher mainly due to higher revenue from Synergy Global Housing and contribution from Ascendas Hospitality Trust.

EBIT for 4Q 2019 and FY 2019 was higher mainly due to higher revenue and higher gains arising from divestment of properties in Hong Kong, China and Singapore.

CL Financial

S$M	4Q 2019	4Q 2018	Better/ (Worse) (%)	FY 2019	FY 2018	Better/ (Worse) (%)
Revenue	111.4	58.5	90.5	300.4	233.5	28.7
EBIT	126.5	26.4	379.0	227.1	131.0	73.4

Revenue for 4Q 2019 and FY 2019 increased mainly due to contributions from ASB's fund management business and CAP I investments from July 2019 onwards, higher acquisition and divestment fees, partially offset by lower management fee from Vietnam commercial fund and China retail funds following the divestment of properties in 2018.

EBIT for 4Q and FY 2019 included fair value gains for investment properties held through a fund of $69.1 million. Excluding the fair value gains, EBIT for 4Q 2019 grew by 117.0% due to higher revenue. EBIT for FY 2019 improved by 20.6% as the impact from higher revenue were partially offset by set-up costs for new funds.

Corporate and Others

S$M	4Q 2019	4Q 2018	Better/ (Worse) (%)	FY 2019	FY 2018	Better/ (Worse) (%)
Revenue	(73.4)	(56.8)	(29.3)	(248.8)	(229.0)	(8.7)
EBIT	(39.8)	(46.3)	13.9	(108.0)	(64.1)	(68.5)

Corporate and Others include Corporate office and group eliminations.

The lower losses for 4Q 2019 was mainly due to absence of provision for transaction costs on the acquisition of ASB in 4Q 2018, partially offset by consolidation of ASB corporate costs. The higher losses for FY 2019 was due to the consolidation of ASB corporate costs and higher transaction costs incurred on the acquisition of ASB.

9 Variance from Prospect Statement

The 4Q 2019 operating performance was broadly in line with the prospect statement made when the third quarter 2019 financial results were announced.

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

Group Overall Prospects

Impact of Outbreak of COVID-19

The spread of the novel coronavirus (COVID-19) in China and beyond has created a high level of uncertainty to the near-term global economic prospects. Many economists have predicted a GDP slowdown for China for the first half of 2020, followed by a rebound thereafter, should the virus be contained within three to six months. A weakened China economy will impact Southeast Asia, including Singapore, with the hospitality, F&B and retail sectors amongst the most impacted.

The Group is taking precautionary measures in accordance with guidelines provided by the respective authorities.

In China, in the virus epicentre of Wuhan, CapitaLand has closed four malls under the directive of the local authority. Some other malls in China have also been temporarily closed or are operating on shorter hours. We have temporarily stopped offering most of our short-stay options at our serviced residences, and are extending assistance to our long-stay guests.

In Singapore, we have experienced lower foot traffic to our shopping malls and reduced serviced residence bookings, due to higher caution adopted by shoppers, and lower visitor arrivals.

COVID-19 will therefore have an adverse impact on our operations and trading results, the extent of which will depend on how long the outbreak lasts.

We remain positive on the long-term fundamentals for Singapore and China. Our current priority is to ensure the well-being of our staff, tenants and patrons. We will proactively manage our business and take the necessary actions to ensure that our long-term business prospects going forward remain robust.

Focus on Execution and Building Resilience

In 2019, the Group achieved a Return on Equity (ROE) of 10.0%, delivering a return exceeding our cost of equity for the third year running.

We continue to be active in asset recycling. In 2019, we divested S$5.9 billion in gross value, almost doubling our annual target of S$3 billion. We also brought down our net debt-to-equity ratio from 0.73x upon the combination with Ascendas-Singbridge (ASB) to 0.63x as at end 2019, a year ahead of our target. This was achieved through our capital recycling efforts and good operating performance.

Our capital recycling in 2019 resulted in a net release of S$2.8 billion back to the Group, thereby enhancing our financial strength and resilience. We are thus well-positioned to further support our operations should the impact from COVID-19 be prolonged. Importantly, we are also in a good position to selectively pursue opportunities that may arise to further strategically grow our business.

Paving the Way for Sustainable Growth

CapitaLand will stay disciplined in our strategy of scale, focus, balance and agility to build a diversified and resilient real estate company. In the next 12 months, we plan to intensify our efforts to digitalise many of our key processes to optimise both our costs and our decision making. We will also focus on developing our talent and building resilience in our human capital. The Group will continue to drive our business sustainably, through our three key growth pillars:

Development

CapitaLand has announced several precinct-level projects, some of which will see the Group playing a key role in the commercial rejuvenation of Singapore, as well as in the ongoing development of cities across CapitaLand's core markets of China, Vietnam and India.

In November 2019, CapitaLand announced the joint re-development of the Liang Court site into an integrated development. The proposed integrated development will commence demolition in 2020 and is targeted to open in phases from 2024.

In January 2020, the Group also won the tender for the integrated management of Bugis Village and Bugis Street, for up to 10 years, starting from 1 April 2020. This will allow the Group to rejuvenate the precinct, and strengthen its retail network in Bugis downtown, which currently includes our Bugis Junction and Bugis+ malls.

In China, the Group has signed a Collaboration Agreement with Guangzhou Development District Administrative Committee for the development of China-Singapore Guangzhou Knowledge City Phase II. This will allow CapitaLand to participate in both investment property and residential developments in this state-level bilateral collaboration project. The Group secured the first parcel of land in 2019, while the second parcel of land is expected to be tendered in June 2020.

In India, the Group is targeting to double assets under management (AUM) to S$7 billion by 2024 from S$3.2 billion as at 31 December 2019. Over one million square feet of space in development within the International Tech Park Bangalore and International Tech Park Pune have been pre-leased to leading IT companies and are expected to be completed in 2020.

In Vietnam, the Group will continue to look for opportunities to build up its landbank for both investment and residential opportunities this year.

In respect of our residential projects, the Group launched two condominiums in Singapore in FY 2019 to healthy reception. In China, the Group had sold but not yet handed over approximately 6,400 units[1], with a value of RMB 14.4 billion[2] as at 31 December 2019. Subject to construction progress which may be impacted by COVID-19, units making up about 70% of this value are slated for handing over in 2020. In Vietnam, 2,205 units were sold with a total value of approximately S$746 million expected to be handed over from 1Q 2020 onwards. 43% of the value is expected to be recognised in 2020.

Fund Management

The Group remains focused in its objective of expanding its real estate fund management business. It now has an enlarged fund management platform. Following the combination with ASB, Ascott Residence Trust and Ascendas Hospitality Trust merged in December 2019 to rationalise their lodging/hospitality mandates.

Continuing this effort, the proposed merger of CapitaLand Mall Trust (CMT) and CapitaLand Commercial Trust (CCT) to form CapitaLand Integrated Commercial Trust is in progress. The merger of both REITs when approved will create Singapore's largest commercial REIT, and Asia-Pacific's third largest, and become CapitaLand's primary developed market listed investment vehicle for commercial real estate.

Lodging

In 2019, CapitaLand's wholly owned lodging business unit, The Ascott Limited opened a record of about 7,500 units in over 40 properties across 30 cities and 13 countries. This included our first coliving property under the "lyf" brand which opened in Funan Singapore.

More properties under management will become operational in 2020 to further add to our fee income stream. We remain on track to achieve our global target of 160,000 units by 2023. We will continue to grow recurring income via asset-light arrangements which include management contracts, franchises, leases and strategic alliances and evaluate investments opportunistically.

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[1] Units sold include options issued as at 31 December 2019. Above data is on a 100% basis, including strata units in integrated developments and considers only project being managed
[2] Refers to value of residential units sold including value added tax

11(a) Any dividend declared for the present financial period? Yes. Please refer to note 19.

11(b) Any dividend declared for the previous corresponding period? Yes.

11(c) Date payable : To be announced at a later date.

11(d) Books closing date : To be announced at a later date.

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 Interested Person Transactions

The Company has not sought a general mandate from shareholders for Interested Person Transactions.

14 Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and executive officers in the form set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”), as required by Rule 720(1) of the Listing Manual.

15 Confirmation Pursuant to Rule 705(5) of the Listing Manual

Not applicable.

On behalf of the Board

Ng Kee Choe Chairman	**Lee Chee Koon** Director

16 Segmental Revenue and Results

16(a)(i) By Strategic Business Units – 4Q 2019 vs 4Q 2018

	Revenue			Earnings before interest & tax		
	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)
CL Singapore and International						
- CL SMI	516,811	518,290	(0.3)	708,621	337,850	109.7
- CL Vietnam	7,133	39,406	(81.9)	34,010	(8,923)	NM
- CL International	76,029	47,265	60.9	125,737	48,550	159.0
CL China	1,360,138	722,120	88.4	764,201	698,912	9.3
CL India	12,603	-	NM	35,722	(13,141)	NM
CL Lodging	365,269	295,722	23.5	178,357	88,800	100.9
CL Financial	111,387	58,459	90.5	126,473	26,406	379.0
Corporate and others[1]	(73,449)	(56,810)	(29.3)	(39,819)	(46,261)	13.9
Total	**2,375,921**	**1,624,452**	**46.3**	**1,933,302**	**1,132,193**	**70.8**

16(a)(ii) By Strategic Business Units – FY 2019 vs FY 2018

	Revenue			Earnings before interest & tax		
	FY 2019 S$'000	FY 2018 S$'000	Better/ (Worse) (%)	FY 2019 S$'000	FY 2018 S$'000	Better/ (Worse) (%)
CL Singapore and International						
- CL SMI	1,886,154	2,052,799	(8.1)	1,856,925	1,789,339	3.8
- CL Vietnam	63,634	71,287	(10.7)	81,256	37,110	119.0
- CL International	267,099	129,857	105.7	269,569	92,108	192.7
CL China	2,552,616	2,216,399	15.2	2,122,356	1,849,736	14.7
CL India	23,013	117	NM	38,749	(13,937)	NM
CL Lodging	1,390,623	1,127,470	23.3	579,645	323,774	79.0
CL Financial	300,421	233,453	28.7	227,095	130,967	73.4
Corporate and others[1]	(248,796)	(228,959)	(8.7)	(107,985)	(64,099)	(68.5)
Total	**6,234,764**	**5,602,423**	**11.3**	**5,067,610**	**4,144,998**	**22.3**

16(b)(i) By Geography – 4Q 2019 vs 4Q 2018

	Revenue			Earnings before interest & tax		
	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)
Singapore	513,342	495,343	3.6	766,206	342,070	124.0
China [2]	1,411,102	762,987	84.9	883,333	732,296	20.6
Other developed markets[3]	368,561	265,258	38.9	259,537	112,809	130.1
Other emerging markets [4]	82,916	100,864	(17.8)	24,226	(54,982)	NM
Total	**2,375,921**	**1,624,452**	**46.3**	**1,933,302**	**1,132,193**	**70.8**

16(b)(ii) By Geography – FY 2019 vs FY 2018

	Revenue			Earnings before interest & tax		
	FY 2019 S$'000	FY 2018 S$'000	Better/ (Worse) (%)	FY 2019 S$'000	FY 2018 S$'000	Better/ (Worse) (%)
Singapore	1,727,562	1,889,846	(8.6)	1,953,289	1,754,170	11.4
China [(2)]	2,740,641	2,376,927	15.3	2,288,159	1,946,187	17.6
Other developed markets[(3)]	1,352,711	950,347	42.3	658,634	324,801	102.8
Other emerging markets [(4)]	413,850	385,303	7.4	167,528	119,840	39.8
Total	**6,234,764**	**5,602,423**	**11.3**	**5,067,610**	**4,144,998**	**22.3**

16(c)(i) By Assets Class – 4Q 2019 vs 4Q 2018

	Revenue			Earnings before interest & tax		
	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)	4Q 2019 S$'000	4Q 2018 S$'000	Better/ (Worse) (%)
Residential, commercial strata and urban development	1,185,911	744,349	59.3	476,776	384,988	23.8
Retail	483,100	425,273	13.6	610,545	519,820	17.5
Commercial	206,051	186,868	10.3	354,834	170,996	107.5
Business park, industrial & logistics	150,173	-	NM	352,509	-	NM
Lodging[(5)]	413,219	326,535	26.5	193,200	97,757	97.6
Corporate and others[(1)]	(62,533)	(58,573)	(6.8)	(54,562)	(41,368)	(31.9)
Total	**2,375,921**	**1,624,452**	**46.3**	**1,933,302**	**1,132,193**	**70.8**

16(c)(ii) By Assets Class – FY 2019 vs FY 2018

	Revenue			Earnings before interest & tax		
	FY 2019 S$'000	FY 2018 S$'000	(Worse) (%)	FY 2019 S$'000	FY 2018 S$'000	(Worse) (%)
Residential, commercial strata and urban development	2,073,994	2,184,637	(5.1)	992,189	881,972	12.5
Retail	1,793,893	1,714,873	4.6	1,975,994	2,040,791	(3.2)
Commercial	759,545	706,287	7.5	1,090,939	953,910	14.4
Business park, industrial & logistics	281,042	-	NM	461,263	-	NM
Lodging[(5)]	1,545,618	1,197,413	29.1	650,437	320,021	103.2
Corporate and others[(1)]	(219,328)	(200,787)	(9.2)	(103,212)	(51,696)	(99.7)
Total	**6,234,764**	**5,602,423**	**11.3**	**5,067,610**	**4,144,998**	**22.3**

Notes:
(1) Includes intercompany eliminations.
(2) Includes Hong Kong.
(3) Excludes Singapore and Hong Kong.
(4) Excludes China.
(5) The results for Lodging asset class is different from CL Lodging SBU as it includes the results of lodging component in integrated developments as well as US multifamily portfolio presented under other SBUs.

17 In the review of performance, the factors leading to any material changes in contributions to revenue and earnings by the business or geographical segments

Please refer to item 8.

18 Breakdown of Group's revenue and profit after tax for first half year and second half year

	2019 S$'000	2018 S$'000	Better/ (Worse) %
(a) Revenue			
- first half	2,131,073	2,717,952	(21.6)
- second half	4,103,691	2,884,471	42.3
Full year revenue	**6,234,764**	**5,602,423**	**11.3**
(b) Profit after tax before deducting minority interests ("PAT")			
- first half	1,510,476	1,574,725	(4.1)
- second half	1,903,165	1,275,087	49.3
Full year PAT	**3,413,641**	**2,849,812**	**19.8**

19 Breakdown of Total Annual Dividend (in dollar value) of the Company

Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual cash PATMI, defined as sum of operating PATMI, portfolio gains/losses and realised revaluation gains/losses.

Notwithstanding the Group's strong financial results, the Board is proposing a tax-exempt ordinary dividend of 12.0 cents per share for the financial year ended 31 December 2019, unchanged from FY 2018. This prudent approach will enable the Group to remain resilient during this period of uncertainty brought about by the COVID-19 situation. The proposed dividends are subject to shareholders' approval.

	Current financial year ended 31/12/2019		
Name of Dividend	**Ordinary**	**Special**	**Total**
Type of Dividend	Cash	-	Cash
Dividend Per share	12.0 cents	-	12.0 cents
Annual Dividend (S$'000)	604,499	-	604,499

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2019. The actual dividend payment can only be determined on books closure date.

	Previous financial year ended 31/12/2018		
Name of Dividend	**Ordinary**	**Special**	**Total**
Type of Dividend	Cash	-	Cash
Dividend Per share	12.0 cents	-	12.0 cents
Annual Dividend (S$'000)	501,007	-	501,007

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, CapitaLand Limited (the "Company") confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

21 Subsequent Events

(i) The Novel Coronavirus (COVID-19) outbreak since early 2020 has brought about additional uncertainties to the global economic prospects and this has impacted the Group's operations subsequent to the financial year end. Please refer to page 23 under the caption "Impact of Outbreak of COVID-19" for further details.

(ii) On 22 January 2020, CapitaLand announced the proposed merger of CapitaLand Mall Trust (CMT) and CapitaLand Commercial Trust (CCT) to create a diversified commercial real estate investment trust to be named as "CapitaLand Integrated Commercial Trust" ("**CICT**"). The proposed merger will be effected by way of a trust scheme of arrangement, with CMT acquiring all units of CCT ("CCT Units") for a total consideration comprising approximately 88% in new units in CMT (CMT Units) and 12% in cash. The consideration per CCT Unit comprises 0.720 new CMT Units and S$0.2590 in cash. CICT is expected to be the third largest REIT in Asia Pacific and the largest REIT in Singapore, with a market capitalisation of S$16.8 billion and a combined property value of S$22.9 billion.

(iii) On 21 February 2020, Lai Sun Garment (International) Limited ("LSG"), Lai Sun Development Company Ltd ("LSD"), eSun Holdings Limited ("eSun") and Lai Fong Holdings Limited ("LFH") jointly announced that a wholly owned subsidiary of LSD, Holy Unicorn Limited ("Offeror"), intends to make a conditional and voluntary general cash offer to acquire all of the issued shares of LFH not already owned or agreed to be acquired by LSD, the Offeror and wholly owned subsidiaries of LSD, at HK$8.99 for each issued share, and to cancel all outstanding share options of LFH. The Group has an 19.45% interest in LFH while LSG, LSD, eSun and Offeror are parties unrelated to the Group.

LFH Board has established an Independent Board Committee to make a recommendation to LFH's shareholders and option holders as to whether the offer is fair and reasonable. LFH will appoint an independent financial adviser (with the approval of the LFH Independent Board Committee) to advise the LFH Independent Board Committee in connection with the offer. The Group will review the offer as more information becomes available.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
26 February 2020