



## CAPITALAND LIMITED

(Registration Number : 198900036N)

### 2015 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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**1(a)(i) Income Statement**

	Group						
	Note	4Q 2015 S\$'000	4Q 2014 S\$'000	Change %	FY 2015 S\$'000	FY 2014 S\$'000	Change %
<b>Continuing operations</b>							
<b>Revenue</b>	<b>A</b>	<b>1,739,572</b>	<b>1,517,808</b>	<b>14.6</b>	<b>4,761,854</b>	<b>3,924,598</b>	<b>21.3</b>
Cost of sales		(1,358,845)	(1,079,642)	25.9	(3,286,837)	(2,542,557)	29.3
Gross profit		380,727	438,166	(13.1)	1,475,017	1,382,041	6.7
Other operating income	<b>B</b>	120,373	296,187	(59.4)	545,816	598,139	(8.7)
Administrative expenses	<b>C</b>	(110,991)	(120,166)	(7.6)	(401,963)	(411,983)	(2.4)
Other operating expenses	<b>D</b>	(13,911)	(77,828)	(82.1)	(28,863)	(101,192)	(71.5)
<b>Profit from continuing operations</b>		<b>376,198</b>	<b>536,359</b>	<b>(29.9)</b>	<b>1,590,007</b>	<b>1,467,005</b>	<b>8.4</b>
Finance costs		(121,015)	(114,478)	5.7	(477,267)	(439,473)	8.6
Share of results (net of tax) of:	<b>E</b>						
- associates		146,704	195,110	(24.8)	462,276	626,828	(26.3)
- joint ventures		77,411	135,790	(43.0)	263,743	343,107	(23.1)
		224,115	330,900	(32.3)	726,019	969,935	(25.1)
Profit before taxation from continuing operations		479,298	752,781	(36.3)	1,838,759	1,997,467	(7.9)
Taxation	<b>F</b>	(84,724)	(104,077)	(18.6)	(343,503)	(266,908)	28.7
Profit for the period/year from continuing operations		394,574	648,704	(39.2)	1,495,256	1,730,559	(13.6)
<b>Discontinued operation</b>							
Profit from discontinued operation, net of tax		-	(6,225)	(100.0)	-	29,134	(100.0)
Profit for the period/year		394,574	642,479	(38.6)	1,495,256	1,759,693	(15.0)
Attributable to:							
<b>Owners of the Company ("PATMI")</b>							
- from continuing operations		247,669	415,588	(40.4)	1,065,650	1,131,714	(5.8)
- from discontinued operation		-	(6,225)	(100.0)	-	29,134	(100.0)
<b>Total PATMI</b>		<b>247,669</b>	<b>409,363</b>	<b>(39.5)</b>	<b>1,065,650</b>	<b>1,160,848</b>	<b>(8.2)</b>
Non-controlling interests ("NCI")		146,905	233,116	(37.0)	429,606	598,845	(28.3)
Profit for the period/year		394,574	642,479	(38.6)	1,495,256	1,759,693	(15.0)

Note:

Discontinued operation consists of profit contribution from Australand as well as gain from sale of 39.1% stake in Australand of \$12.9 million in FY 2014.

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**1(a)(ii) Explanatory Notes to Income Statement – 4Q 2015 vs 4Q 2014**

**(A) Revenue**

The increase was mainly attributable to higher contribution from development projects in China as well as higher rental revenue from the serviced residence business, partially offset by absence of revenue from the sale of Westgate Tower in 4Q 2014 as well as lower revenue recognition from development projects in Vietnam. The higher revenue from China was mainly attributable to higher number of units handed over to buyers in 4Q 2015 as well as the consolidation of CapitaLand Township Pte Ltd (CL Township) which became a subsidiary of the Group in March 2015 (Please see item 8 for details).

The cost of sales also increased but at a higher rate as project costs in respect of units sold were relatively higher this quarter. In addition, the Group recorded provision for foreseeable losses amounting to \$105.1 million (4Q 2014: \$91.8 million) mainly in respect of the residential projects in Singapore as market conditions remain challenging, weighed down by the impact of the property cooling measures and concerns over interest rate hikes.

**(B) Other Operating Income**

	Group		
	4Q 2015 S\$'000	4Q 2014 S\$'000	Change (%)
<b>Other Operating Income</b>	<b>120,373</b>	<b>296,187</b>	<b>(59.4)</b>
Investment income	1,889	517	265.4
Interest income (i)	23,893	16,932	41.1
Other income (including portfolio gains) (ii)	24,509	24,628	(0.5)
Fair value gains of investment properties (iii)	70,082	254,110	(72.4)

- (i) Interest income increased mainly due to higher placement of surplus funds with financial institutions.
- (ii) Other income in 4Q 2015 included a portfolio gain of \$7.1 million which arose mainly from the divestment of a serviced residence property in the Philippines.
- (iii) The net fair value gains in respect of investment properties held through subsidiaries in 4Q 2015 decreased due to lower gains recorded for the properties in Singapore, China, and Australia, partially mitigated by higher gains recorded for properties in Japan, Europe and Vietnam. The lower gains in Singapore was mainly due to CapitaGreen as the Group recognised a significant gain of \$212.5 million in 4Q 2014, upon the completion of the project.

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

**(C) Administrative Expenses**

	Group		
	4Q 2015 S\$'000	4Q 2014 S\$'000	Change (%)
<b>Administrative Expenses</b>	<b>(110,991)</b>	<b>(120,166)</b>	<b>(7.6)</b>
<b><u>Included in Administrative Expenses:-</u></b>			
Depreciation and amortisation	(18,488)	(19,372)	(4.6)
(Allowance)/Writeback of doubtful receivables and bad debts written off	(10)	(449)	(97.8)

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were lower mainly due to lower depreciation, operating lease expenses and professional fees.

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**1(a)(ii) Explanatory Notes to Income Statement – 4Q 2015 vs 4Q 2014**

**(D) Other Operating Expenses**

The decrease in other operating expenses in 4Q 2015 was mainly due to the absence of impairment loss of \$60.1 million, which was recorded in 4Q 2014 in respect of our interests in Surbana International Consultants Holdings Pte Ltd (Surbana), as well as lower foreign exchange losses. The foreign exchange loss of \$5.3 million in 4Q 2015 (4Q 2014: \$9.1 million) arose mainly from revaluation of EUR receivables as the Singapore dollar has appreciated against the EUR during the quarter.

**(E) Share of Results (net of tax) of Associates and Joint Ventures**

The lower share of results from associates in 4Q 2015 was mainly due to the lower revaluation gains from investment properties in China, partially mitigated by portfolio gains arising from the divestment of Rivervale Mall and higher contribution from associates in China, namely Raffles City China Fund and Beaufort as well as d'Leedon in Singapore.

The share of results from joint ventures decreased mainly due to lower revaluation gains from investment properties as well as lower handover of units from Dolce Vita project in China during the quarter.

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

The current tax expense is based on the statutory tax rates of the respective countries in which the Group operates and takes into account non-deductible expenses and temporary differences.

Tax expenses were lower this quarter mainly due to lower taxable income. Included in 4Q 2015's tax expense was a write back of taxes provided in prior years totaling \$1.6 million (4Q 2014: \$18.0 million). The write back was made following the resolution and finalisation of tax of the relevant entities.

**(G) Gain/(Loss) from the sale of investments**

The gains/(losses) from the sale of investments are as follows:

<b>4Q 2015</b>	<b>PATMI (S\$M)</b>
Rivervale Mall (accounted for in share of associate's results)	21.3
Salcedo Residences	3.0
Horizon Fund	(6.1)
Others (mainly tax provision for past divestments)	(4.2)
<b>Total Group's share of gain after tax &amp; NCI for 4Q 2015</b>	<b>14.0</b>
<b>4Q 2014</b>	
High Tech City, India	(2.7)
Ito-Yokado Eniwa and Narashino Shopping Centre, Japan	(4.8)
CapitaLand (Beijing) Kai Heng Holdings Pte. Ltd. (accounted for in share of associate's results)	(5.7)
Others (mainly tax provision for past divestment)	(7.3)
<b>Total Group's share of gain after tax &amp; NCI for 4Q 2014</b>	<b>(20.5)</b>

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**1(a)(iii) Statement of Comprehensive Income**

	Group					
	4Q 2015 S\$'000	4Q 2014 S\$'000	Change %	FY 2015 S\$'000	FY 2014 S\$'000	Change %
Profit for the period / year	394,574	642,479	(38.6)	1,495,256	1,759,693	(15.0)
Other comprehensive income:						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations <sup>(1)</sup>	76,930	395,066	(80.5)	643,935	359,665	79.0
Change in fair value of available-for-sale investments	703	3,133	(77.6)	(8,567)	719	NM
Effective portion of change in fair value of cash flow hedges	(12,104)	27,381	NM	32,784	45,072	(27.3)
Share of other comprehensive income of associates and joint ventures <sup>(2)</sup>	13,240	104,107	(87.3)	(75,911)	91,925	NM
Total other comprehensive income, net of tax	78,769	529,687	(85.1)	592,241	497,381	19.1
Total comprehensive income	473,343	1,172,166	(59.6)	2,087,497	2,257,074	(7.5)
Attributable to:						
<b>Owners of the Company</b>	<b>333,841</b>	<b>925,686</b>	<b>(63.9)</b>	<b>1,657,736</b>	<b>1,642,138</b>	<b>0.9</b>
Non-controlling interests	139,502	246,480	(43.4)	429,761	614,936	(30.1)
Total comprehensive income	473,343	1,172,166	(59.6)	2,087,497	2,257,074	(7.5)

NM: Not meaningful

<sup>(1)</sup> 4Q 2015's exchange differences arose mainly from the depreciation of SGD against USD and RMB by 0.3%, partially offset by the appreciation of SGD against MYR by 0.9%.

FY 2015's exchange differences arose mainly from the depreciation of SGD against USD and RMB by 8.1% and 4.2% respectively, partially offset by the appreciation of SGD against MYR by 13.0%.

<sup>(2)</sup> The share of other comprehensive income of associates and joint ventures relate mainly to share of foreign currency translation reserve. 4Q 2015's share of exchange difference arose mainly from the depreciation of SGD against RMB by 0.3%.

FY 2015's share of exchange difference arose mainly from the appreciation of USD against RMB by 4.3% as well as realisation of foreign currency translation reserve relating to CapitaLand China Development Fund Pte. Ltd. (CCDF) and CL Township, partially mitigated by depreciation of SGD against RMB by 4.2%.

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**1(b)(i) Balance Sheet**

	Group			Company		
	31/12/2015 S\$'000	31/12/2014 S\$'000	Change %	31/12/2015 S\$'000	31/12/2014 S\$'000	Change %
<b>Non-current assets</b>						
Property, plant & equipment <sup>(1)</sup>	808,331	1,047,356	(22.8)	14,391	17,646	(18.4)
Intangible assets	461,058	462,970	(0.4)	147	147	-
Investment properties <sup>(1),(2)</sup>	19,427,532	17,149,198	13.3	-	-	-
Subsidiaries	-	-	-	12,944,900	12,806,301	1.1
Associates & joint ventures <sup>(3)</sup>	12,858,128	12,780,860	0.6	-	-	-
Other non-current assets <sup>(5)</sup>	871,017	1,092,899	(20.3)	731	1,370	(46.6)
	<b>34,426,066</b>	<b>32,533,283</b>	<b>5.8</b>	<b>12,960,169</b>	<b>12,825,464</b>	<b>1.1</b>
<b>Current assets</b>						
Development properties for sale and stocks <sup>(2),(3),(4)</sup>	6,936,309	7,673,651	(9.6)	-	-	-
Trade & other receivables <sup>(5)</sup>	1,424,438	963,445	47.8	398,489	341,427	16.7
Cash & cash equivalents <sup>(6)</sup>	4,173,281	2,749,397	51.8	9,249	10,753	(14.0)
Other current assets	8,292	2,309	259.1	-	-	-
Assets held for sale <sup>(7)</sup>	84,207	191,403	(56.0)	-	-	-
	<b>12,626,527</b>	<b>11,580,205</b>	<b>9.0</b>	<b>407,738</b>	<b>352,180</b>	<b>15.8</b>
<b>Less: Current liabilities</b>						
Trade & other payables <sup>(8)</sup>	4,063,476	3,069,874	32.4	199,300	53,945	269.5
Short-term borrowings <sup>(3)</sup>	2,246,370	3,469,159	(35.2)	184,250	7,669	NM
Current tax payable	620,472	463,012	34.0	2,634	8,459	(68.9)
	<b>6,930,318</b>	<b>7,002,045</b>	<b>(1.0)</b>	<b>386,184</b>	<b>70,073</b>	<b>451.1</b>
<b>Net current assets</b>	<b>5,696,209</b>	<b>4,578,160</b>	<b>24.4</b>	<b>21,554</b>	<b>282,107</b>	<b>(92.4)</b>
<b>Less: Non-current liabilities</b>						
Long-term borrowings <sup>(3)</sup>	13,812,110	12,516,659	10.3	2,704,520	3,226,447	(16.2)
Other non-current liabilities	1,372,503	1,386,253	(1.0)	23,506	30,288	(22.4)
	<b>15,184,613</b>	<b>13,902,912</b>	<b>9.2</b>	<b>2,728,026</b>	<b>3,256,735</b>	<b>(16.2)</b>
<b>Net assets</b>	<b>24,937,662</b>	<b>23,208,531</b>	<b>7.5</b>	<b>10,253,697</b>	<b>9,850,836</b>	<b>4.1</b>
<b>Representing:</b>						
Share capital	6,309,289	6,304,146	0.1	6,309,289	6,304,146	0.1
Revenue reserves	10,305,191	9,616,503	7.2	3,817,479	3,250,086	17.5
Other reserves	1,290,826	837,353	54.2	126,929	296,604	(57.2)
Equity attributable to owners of the Company	17,905,306	16,758,002	6.8	10,253,697	9,850,836	4.1
Non-controlling interests	7,032,356	6,450,529	9.0	-	-	-
<b>Total equity</b>	<b>24,937,662</b>	<b>23,208,531</b>	<b>7.5</b>	<b>10,253,697</b>	<b>9,850,836</b>	<b>4.1</b>

Notes:

1. The Group assessed the classification of its serviced residences as property, plant and equipment or investment properties based on the level of ancillary services, length of stay, amongst other factors. During the year, the Group evaluated and reclassified two serviced residences to investment properties.
2. The increase was mainly due to the reclassification of two development properties for sale and two serviced residences to investment properties, acquisition of investment properties in China, Japan, Malaysia and the United States of America, fair value gains, as well as ongoing development expenditure for properties under construction mainly in China. The increase was partly offset by the divestment of Bedok Mall to CapitaLand Mall Trust.
3. Following the completion of the acquisition of the remaining 60% interest in CL Township and 62.5% interest in CCDF, CL Township and CCDF, previously accounted for as associates, have become wholly owned subsidiaries of the Group. The consolidation of CL Township and CCDF increased the Group's joint ventures, development properties for sale and total borrowings.

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4. *The decrease was mainly due to the completion and sale of several residential projects in Singapore and China during the year.*
5. *The increase was mainly due to the reclassification of a long term loan receivable from an associate to short term receivable in line with the maturity date.*
6. *The cash balances as at 31 December 2015 included \$1.16 billion held at CapitaLand Limited and its treasury vehicles (comprising CapitaLand Treasury Limited, CapitaMalls Asia Treasury Limited and The Ascott Capital Pte Ltd).*
7. *The decrease was mainly due to the divestment of the Group's interest in Surbana during the year.*
8. *The increase was mainly due to higher progress billings in respect of our residential sales in China.*

**1(b)(ii) Group's borrowings (including finance leases)**

	Group	
	As at 31/12/2015 S\$'000	As at 31/12/2014 S\$'000
<b><u>Amount repayable in one year or less, or on demand:-</u></b>		
Secured	596,297	2,437,125
Unsecured	1,650,073	1,032,034
<b>Sub-Total 1</b>	<b>2,246,370</b>	<b>3,469,159</b>
<b><u>Amount repayable after one year:-</u></b>		
Secured	5,344,254	3,411,491
Unsecured	8,467,856	9,105,168
<b>Sub-Total 2</b>	<b>13,812,110</b>	<b>12,516,659</b>
<b>Total Debt</b>	<b>16,058,480</b>	<b>15,985,818</b>
<b>Cash</b>	<b>4,173,281</b>	<b>2,749,397</b>
<b>Total Debt less Cash</b>	<b>11,885,199</b>	<b>13,236,421</b>

As at 31 December 2015, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately \$3.81 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.

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**1(c) Consolidated Statement of Cash Flows**

	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>FY 2015</b>	<b>FY 2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating Activities</b>				
<b>Profit after taxation</b>	<b>394,574</b>	<b>642,479</b>	<b>1,495,256</b>	<b>1,759,693</b>
<b>Adjustments for :</b>				
Amortisation and impairment of intangible assets	631	805	2,699	4,901
Allowance/(Write back) for:				
- Foreseeable losses	105,058	91,849	168,260	82,811
- Doubtful receivables	2,069	3,021	839	(579)
- Impairment on investment in associate and joint ventures	(8,223)	61,903	(8,223)	61,903
- Impairment on property, plant and equipment	-	(199)	-	416
Gain from bargain purchase	-	(12,790)	(1,239)	(12,790)
Share-based expenses	13,244	10,181	35,342	52,720
Net change in fair value of financial instruments	(2,410)	32	(1,827)	(1,356)
Depreciation of property, plant and equipment	17,950	18,809	73,183	64,620
Loss/ (Gain) on disposal and write-off of property, plant and equipment	5,603	34	5,978	(177)
Gain on disposal of investment properties	(7,064)	(1,365)	(10,901)	(2,296)
Net fair value gain from assets held for sale	(1,616)	(5,394)	(5,858)	(5,827)
Net fair value gain from investment properties	(68,426)	(248,716)	(403,802)	(451,094)
Fair value gain arising from change in use of development projects	-	-	(207,953)	-
Net loss/ (gain) on disposal/liquidation/dilution of equity investments and other financial assets	5,482	4,618	18,298	(21,690)
Share of results of associates and joint ventures	(224,115)	(330,900)	(726,019)	(986,235)
(Gain)/ Loss on repurchase of convertible bonds	-	-	(19,783)	2,713
Interest expense	121,015	114,478	477,267	439,473
Interest income	(23,893)	(16,932)	(55,634)	(57,288)
Taxation	84,724	110,302	343,503	273,133
	<b>20,029</b>	<b>(200,264)</b>	<b>(315,870)</b>	<b>(556,642)</b>
<b>Operating profit before working capital changes</b>	<b>414,603</b>	<b>442,215</b>	<b>1,179,386</b>	<b>1,203,051</b>
<b>Changes in working capital</b>				
Trade and other receivables	180,571	27,622	(217,780)	69,736
Development properties for sale	301,592	206,595	953,195	(149,335)
Trade and other payables	(96,355)	(45,057)	825,833	118,349
Restricted bank deposits	(4,465)	17,984	(13,198)	13,153
	<b>381,343</b>	<b>207,144</b>	<b>1,548,050</b>	<b>51,903</b>
<b>Cash generated from operations</b>	<b>795,946</b>	<b>649,359</b>	<b>2,727,436</b>	<b>1,254,954</b>
Income tax paid	(69,178)	(44,165)	(260,791)	(256,238)
<b>Net cash generated from Operating Activities</b>	<b>726,768</b>	<b>605,194</b>	<b>2,466,645</b>	<b>998,716</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from disposal of property, plant and equipment	721	981	1,633	2,562
Purchase of property, plant and equipment	(18,566)	(53,899)	(64,018)	(129,158)
(Investments in)/ Repayment of loans by associates and joint ventures	(46,982)	(201,093)	304,983	(215,101)
Repayment from investee companies and other receivables	-	-	-	83,333
Deposits placed for investments	(65,824)	(202,143)	(140,800)	(437,644)
Acquisition/ Development expenditure of investment properties	(145,674)	(410,038)	(937,252)	(935,060)
Proceeds from disposal of investment properties	8,510	1,196	58,439	15,656
Proceed from disposal of other financial assets	-	-	-	199,600
Proceeds from disposal of associates and joint ventures	-	-	142,215	1,004,624
Dividends received from associates and joint ventures	68,886	101,607	393,714	405,820
Acquisition of subsidiaries, net of cash acquired	(9,412)	(9,649)	61,963	(366,939)
Disposal of subsidiaries, net of cash disposed of	301,876	600	301,876	3,769
Settlement of hedging instruments	(3,583)	(3,144)	(18,569)	(5,245)
Interest income received	10,229	7,172	49,893	34,720
<b>Net cash generated from/ (used in) Investing Activities</b>	<b>100,181</b>	<b>(768,410)</b>	<b>154,077</b>	<b>(339,063)</b>



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

	4Q 2015 S\$'000	4Q 2014 S\$'000	FY 2015 \$'000	FY 2014 \$'000
<b>Cash Flows from Financing Activities</b>				
Proceeds from issue of shares under share option plan	128	189	4,509	1,383
Purchase of treasury shares	(9,206)	-	(55,281)	-
(Payment to)/ Contributions from non-controlling interests	(780)	991	85,975	991
(Advance to)/ Repayment of shareholder loans from non-controlling interests	(29,665)	9,554	(38,944)	(58,615)
Payment for acquisition of ownership interests in subsidiaries with no change in control	(6,386)	(8,661)	(6,386)	(3,171,269)
Proceeds from issue of perpetual securities	-	148,498	247,226	148,498
Proceeds from bank borrowings	1,020,423	735,500	4,466,575	3,739,098
Repayments of bank borrowings	(1,185,232)	(539,300)	(4,347,921)	(3,974,957)
Proceeds from issue of debt securities	200,000	212,657	1,130,672	712,657
Repayments of debt securities	(350,000)	(99,878)	(1,485,890)	(444,363)
Repayments of finance lease payables	(703)	(857)	(2,799)	(3,676)
Dividends paid to non-controlling interests	(59,466)	(61,886)	(342,815)	(363,998)
Dividends paid to shareholders	-	-	(384,068)	(340,648)
Interest expense paid	(128,299)	(110,157)	(520,518)	(477,899)
Bank deposits withdrawn/ (pledged) for bank facility	69,104	(38,782)	36,542	(38,782)
<b>Net cash (used in)/ generated from Financing Activities</b>	<b>(480,082)</b>	<b>247,868</b>	<b>(1,213,123)</b>	<b>(4,271,580)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>346,867</b>	<b>84,652</b>	<b>1,407,599</b>	<b>(3,611,927)</b>
Cash and cash equivalents at beginning of the period	3,793,432	2,578,100	2,706,073	6,288,631
Effect of exchange rate changes on cash balances held in foreign currencies	(13,541)	43,321	39,629	29,369
Cash and cash equivalents reclassified from asset held for sale	26,543	-	-	-
<b>Cash and cash equivalents at end of the period/ year</b>	<b>4,153,301</b>	<b>2,706,073</b>	<b>4,153,301</b>	<b>2,706,073</b>
Restricted cash deposits	19,980	43,324	19,980	43,324
<b>Cash and cash equivalents in the Balance Sheet</b>	<b>4,173,281</b>	<b>2,749,397</b>	<b>4,173,281</b>	<b>2,749,397</b>

**Cash and cash equivalents at end of the period**

The cash and cash equivalents of about \$4,173.3 million as at 31/12/2015 included \$2,420.0 million in fixed deposits and \$289.0 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

**Cash flows analysis**  
**4Q 2015 vs 4Q 2014**

Net cash generated from operating activities was \$726.8 million as compared to \$605.2 million in 4Q 2014. The increase was mainly due to higher sales collection from development projects in China.

Net cash generated from investing activities for the quarter was \$100.2 million. This comprised mainly the proceeds from divestment of Bedok Mall, partly offset by acquisitions and capital expenditure incurred for investment properties.

Net cash used in financing activities for the quarter was \$480.1 million. This was due mainly to repayment of bank borrowings and debt securities.

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

**For the period ended 31/12/2015 vs 31/12/2014 – Group**

	Share Capital S\$'000	Revenue Reserves S\$'000	Other Reserves* S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
<b>Balance as at 01/01/2015</b>	<b>6,304,146</b>	<b>9,616,503</b>	<b>837,353</b>	<b>16,758,002</b>	<b>6,450,529</b>	<b>23,208,531</b>
<b>Total comprehensive income</b>						
Profit for the year		1,065,650		1,065,650	429,606	1,495,256
<u>Other comprehensive income</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			649,408	649,408	(5,473)	643,935
Change in fair value of available-for-sale investments			(61)	(61)	(8,506)	(8,567)
Effective portion of change in fair value of cash flow hedges			18,537	18,537	14,247	32,784
Share of other comprehensive income of associates and joint ventures			(75,798)	(75,798)	(113)	(75,911)
Total other comprehensive income, net of income tax	-	-	592,086	592,086	155	592,241
<b>Total comprehensive income</b>	-	<b>1,065,650</b>	<b>592,086</b>	<b>1,657,736</b>	<b>429,761</b>	<b>2,087,497</b>
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company	5,143			5,143	-	5,143
Purchase of treasury shares			(55,281)	(55,281)		(55,281)
Contributions from non-controlling interests (net)				-	85,362	85,362
Issue of perpetual securities by a subsidiary				-	247,679	247,679
Equity portion of convertible bonds issued			10,504	10,504	-	10,504
Repurchase / Redemption of convertible bonds		51,037	(126,513)	(75,476)	-	(75,476)
Dividends paid/payable		(384,069)		(384,069)	(325,891)	(709,960)
Distribution attributable to perpetual securities issued by a subsidiary		(6,210)		(6,210)	(7,156)	(13,366)
Reclassification of equity compensation reserve		18,613	(18,613)	-	-	-
Share-based payments			32,765	32,765	164	32,929
Total contributions by and distributions to owners	5,143	(320,629)	(157,138)	(472,624)	158	(472,466)
Changes in ownership interests in subsidiaries with change in control		14,004	(14,004)	-	155,887	155,887
Changes in ownership interests in subsidiaries with no change in control		(29,366)	12,261	(17,105)	(2,481)	(19,586)
Share of reserves of associates and joint ventures		(18,296)	(2,318)	(20,614)	-	(20,614)
Others		(22,675)	22,586	(89)	(1,498)	(1,587)
<b>Total transactions with owners</b>	<b>5,143</b>	<b>(376,962)</b>	<b>(138,613)</b>	<b>(510,432)</b>	<b>152,066</b>	<b>(358,366)</b>
<b>Balance as at 31/12/2015</b>	<b>6,309,289</b>	<b>10,305,191</b>	<b>1,290,826</b>	<b>17,905,306</b>	<b>7,032,356</b>	<b>24,937,662</b>

\* Includes reserve for own shares, foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.

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

**For the period ended 31/12/2015 vs 31/12/2014 – Group (cont'd)**

	Share Capital S\$'000	Revenue Reserves S\$'000	Other Reserves* S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
<b>Balance as at 01/01/2014</b>	<b>6,302,207</b>	<b>9,459,989</b>	<b>346,673</b>	<b>16,108,869</b>	<b>8,345,914</b>	<b>24,454,783</b>
<b>Total comprehensive income</b>						
Profit for the year		1,160,848		1,160,848	598,845	1,759,693
<u>Other comprehensive income</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			348,194	348,194	11,471	359,665
Change in fair value of available-for-sale investments			719	719	-	719
Effective portion of change in fair value of cash flow hedges			42,377	42,377	2,695	45,072
Share of other comprehensive income of associates and joint ventures			90,000	90,000	1,925	91,925
Total other comprehensive income, net of income tax	-	-	481,290	481,290	16,091	497,381
<b>Total comprehensive income</b>	<b>-</b>	<b>1,160,848</b>	<b>481,290</b>	<b>1,642,138</b>	<b>614,936</b>	<b>2,257,074</b>
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company	1,939			1,939	-	1,939
Contributions from non-controlling interests (net)				-	991	991
Issue of perpetual securities by a subsidiary				-	147,995	147,995
Conversion of convertible bonds			(2,062)	(2,062)	69,862	67,800
Repurchase / Redemption of convertible bonds		(11,767)	(3,603)	(15,370)	(33,115)	(48,485)
Dividends paid/payable		(340,648)		(340,648)	(368,002)	(708,650)
Distribution attributable to perpetual securities issued by a subsidiary		(621)		(621)	621	-
Share-based payments			32,531	32,531	16,566	49,097
Cash settlement of share awards by a subsidiary				-	(31,477)	(31,477)
Reclassification of equity compensation reserve		40,724	(40,724)	-	-	-
Total contributions by and distributions to owners	1,939	(312,312)	(13,858)	(324,231)	(196,559)	(520,790)
Changes in ownership interests in subsidiaries with change in control		8,207	(8,889)	(682)	182,502	181,820
Changes in ownership interests in subsidiaries with no change in control		(647,992)	(28,857)	(676,849)	(2,495,993)	(3,172,842)
Share of reserves of associates and joint ventures		(29,360)	37,651	8,291	39	8,330
Others		(22,877)	23,343	466	(310)	156
<b>Total transactions with owners</b>	<b>1,939</b>	<b>(1,004,334)</b>	<b>9,390</b>	<b>(993,005)</b>	<b>(2,510,321)</b>	<b>(3,503,326)</b>
<b>Balance as at 31/12/2014</b>	<b>6,304,146</b>	<b>9,616,503</b>	<b>837,353</b>	<b>16,758,002</b>	<b>6,450,529</b>	<b>23,208,531</b>

\* Includes reserve for own shares, foreign currency translation reserve, capital reserves, available-for-sale reserve, equity compensation reserve and hedging reserve.

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

**For the period ended 31/12/2015 vs 31/12/2014 – 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
<b>Balance as at 01/01/2015</b>	<b>6,304,146</b>	<b>3,250,086</b>	<b>(36,989)</b>	<b>287,245</b>	<b>46,348</b>	<b>9,850,836</b>
<b>Total comprehensive income</b>						
Profit for the year		877,741				877,741
<b>Transactions with equity holders, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company	5,143					5,143
Purchase of treasury shares			(55,281)			(55,281)
Issue of treasury shares			19,550		1,287	20,837
Dividends paid		(384,069)				(384,069)
Equity portion of convertible bonds issued				13,056		13,056
Repurchase / Redemption of convertible bonds		55,108		(138,024)		(82,916)
Share-based payments					8,350	8,350
Reclassification of equity compensation reserve		18,613			(18,613)	-
<b>Total transactions with owners</b>	<b>5,143</b>	<b>(310,348)</b>	<b>(35,731)</b>	<b>(124,968)</b>	<b>(8,976)</b>	<b>(474,880)</b>
<b>Balance as at 31/12/2015</b>	<b>6,309,289</b>	<b>3,817,479</b>	<b>(72,720)</b>	<b>162,277</b>	<b>37,372</b>	<b>10,253,697</b>
<b>Balance as at 01/01/2014</b>	<b>6,302,207</b>	<b>2,992,741</b>	<b>(51,691)</b>	<b>287,245</b>	<b>53,415</b>	<b>9,583,917</b>
<b>Total comprehensive income</b>						
Profit for the year		585,102				585,102
<b>Transactions with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company	1,939					1,939
Issue of treasury shares			14,702		(2,368)	12,334
Dividends paid		(340,648)				(340,648)
Share-based payments					8,456	8,456
Reclassification of equity compensation reserve		12,891			(13,155)	(264)
<b>Total transactions with owners</b>	<b>1,939</b>	<b>(327,757)</b>	<b>14,702</b>	<b>-</b>	<b>(7,067)</b>	<b>(318,183)</b>
<b>Balance as at 31/12/2014</b>	<b>6,304,146</b>	<b>3,250,086</b>	<b>(36,989)</b>	<b>287,245</b>	<b>46,348</b>	<b>9,850,836</b>

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

**Issued Share Capital**

As at 31 December 2015, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,247,973,707 (31 December 2014: 4,258,585,369) ordinary shares. Movements in the Company's issued and fully paid-up share capital were as follows:

	<u>No. of Shares</u>
As at 01/01/2015	4,258,585,369
Treasury shares transferred pursuant to employee share plans	7,362,089
Issue of new shares under Share Option Plans and payment of directors' fees	1,796,358
Purchase of treasury shares	<u>(19,778,300)</u>
<b>As at 30/09/2015</b>	<b>4,247,965,516</b>
Issue of new shares under Share Option Plans	8,191
<b>As at 31/12/2015</b>	<b><u>4,247,973,707</u></b>

**Outstanding Options under CapitaLand Share Option Plan**

	<u>No. of Shares</u>
As at 01/01/2015	5,796,357
Exercised	(1,629,476)
Lapsed/Cancelled	<u>(345,341)</u>
<b>As at 31/12/2015</b>	<b><u>3,821,540</u></b>

**Performance Share Plan**

As at 31 December 2015, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 10,031,118 (31 December 2014: 10,633,964).

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 in 2012 and 2013, the maximum is 175 percent of the baseline award. For awards granted in 2014 and 2015, the maximum is 170 percent and 200 percent of the baseline award, respectively. There is no vesting period for shares released under the PSP.

**Restricted Share Plan**

As at 31 December 2015, the number of shares comprised in contingent awards granted under the restricted share plan ("RSP") in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 9,206,698 (31 December 2014: 10,853,678) and 8,647,581 (31 December 2014: 6,369,820) respectively, of which 1,091,117 (31 December 2014: 978,090) shares out of the former and 616,832 (31 December 2014: 231,368) 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. From 2014, 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.

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**Convertible Bonds**

The Company has the following convertible bonds which remain outstanding as at 31 December 2015:

Principal Amount \$ million	Final Maturity Year	Conversion price \$	Convertible into new ordinary shares
184.25	2016	6.0100	30,657,237
650.00	2020	4.9875	130,325,814
650.00	2025	4.9700	130,784,708
686.25	2022	11.5218	59,561,006
800.00	2023	4.2014	190,412,719

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 prices, the number of new ordinary shares to be issued would be 541,741,484 (31 December 2014: 570,821,538) representing a 12.8% increase over the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2015.

**1(d)(iii) Treasury Shares**

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

As at 01/01/2015	<b><u>No. of Shares</u></b> 13,928,946
Treasury shares transferred pursuant to employee share plans	(7,362,089)
Purchase of treasury shares	19,778,300
<b>As at 31/12/2015</b>	<b><u>26,345,157</u></b>

The number of treasury shares held by the Company represents 0.6% of the total number of issued shares (excluding treasury shares) as at 31 December 2015. As at 31 December 2014, the Company held 13,928,946 treasury shares which represented 0.3% of the total number of issued shares (excluding treasury shares).

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

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

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

Not applicable.

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**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 2014, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2015 as follows:

Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*  
Improvements to FRSs (January 2014)  
Improvements to FRSs (February 2014)

The adoption of the above amendments to FRSs did not have any significant financial impact on the financial position or performance of the Group.

**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 2015	4Q 2014	FY 2015	FY 2014
<b>6(a)</b>	EPS based on weighted average number of ordinary shares in issue (in cents)				
	- from continuing operations	5.8	9.7	25.0	26.6
	- from discontinued operation	-	(0.1)	-	0.7
	<b>Total</b>	<b>5.8</b>	<b>9.6</b>	<b>25.0</b>	<b>27.3</b>
	Weighted average number of ordinary shares (in million)	4,248.0	4,258.5	4,260.6	4,257.3
<b>6(b)</b>	EPS based on fully diluted basis (in cents)				
	- from continuing operations	5.5	9.1	23.7	25.3
	- from discontinued operation	-	(0.1)	-	0.6
	<b>Total</b>	<b>5.5</b>	<b>9.0</b>	<b>23.7</b>	<b>25.9</b>
	Weighted average number of ordinary shares (in million)	4,769.5	4,749.7	4,769.8	4,748.1

**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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
NAV per ordinary share	\$4.21	\$3.94	\$2.41	\$2.32
NTA per ordinary share	\$4.11	\$3.83	\$2.41	\$2.32

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**8 Review of the Group's performance**

**Group Overview**

S\$M	4Q 2015	4Q 2014	Variance (%)	FY 2015	FY 2014	Variance (%)
Revenue	1,739.6	1,517.8	14.6	4,761.9	3,924.6	21.3
Earnings before Interest and Tax ("EBIT")	600.3	867.3	(30.8)	2,316.0	2,436.9	(5.0)
Finance costs	(121.0)	(114.5)	5.7	(477.3)	(439.5)	8.6
PBT	479.3	752.8	(36.3)	1,838.8	1,997.5	(7.9)
PATMI - continuing operations	247.7	415.6	(40.4)	1,065.7	1,131.7	(5.8)
PATMI - discontinued operation <sup>(1)</sup>	-	(6.2)	(100.0)	-	29.1	(100.0)
Total PATMI	247.7	409.4	(39.5)	1,065.7	1,160.8	(8.2)
Operating PATMI <sup>(2)</sup>	249.2	283.6	(12.1)	823.6	705.3	16.8

<sup>(1)</sup> Discontinued operation consists of profit contribution from Australand as well as gain from sale of 39.1% stake in Australand of \$12.9 million in FY 2014.

<sup>(2)</sup> Operating PATMI refers to profit from business operations excluding any gains or losses from divestment, revaluation and impairment. Operating PATMI for FY 2015 included fair value gains of \$170.6 million which arose from the change in use of three development projects in China, namely The Paragon Tower 5 and 6 (\$110.3 million) and Raffles City Changning Tower 3 (\$15.6 million) in 2Q 2015 as well as Ascott Heng Shan (\$44.7 million) in 1Q 2015, from construction for sale to leasing as investment properties. These projects are located at prime locations in Shanghai and the Group has changed its business plan to hold these projects for long term use as investment properties.

**4Q 2015 vs 4Q 2014**

For the quarter under review, the Group achieved a revenue of \$1,739.6 million and a PATMI of \$247.7 million.

**Revenue**

Revenue increased by 14.6% in 4Q 2015 on the back of higher contribution from development projects in China and rental income from the serviced residence business, partially offset by absence of contribution from the sale of Westgate Tower in 4Q 2014 (\$579.4 million), deconsolidation of Bedok Mall's revenue following its divestment to CapitaLand Mall Trust (CMT) as well as lower revenue recognition from development projects in Vietnam. The higher revenue from China was mainly attributable to the higher number of units handed over to home buyers as well as the consolidation of CL Township's revenue as it became a subsidiary of the Group in March 2015.

Collectively, the two core markets of Singapore and China accounted for 86.7% (4Q 2014: 82.3%) of the Group's revenue.

**EBIT**

The Group achieved an EBIT of \$600.3 million in 4Q 2015 (4Q 2014: \$867.3 million). The decrease in 4Q 2015 EBIT was mainly due to the absence of profit contribution from the sale of Westgate Tower in 4Q 2014 and lower revaluation gains from investment properties particularly CapitaGreen (collectively "Westgate and CapitaGreen gains"). This was partially mitigated by higher portfolio gains as well as lower provision for foreseeable losses and impairment of investments.

Excluding the one-off gain from the sale of Westgate Tower (\$192.2 million) in 4Q 2014, the Group's operating EBIT improved by \$119.5 million on account of higher handover from development projects in China, namely Lotus Mansion and The Paragon in Shanghai and The Metropolis in Kunshan, project cost saving from development projects in Singapore, better operating performance from the China malls and contribution from serviced residences acquired/opened in 2014 and 2015.



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In terms of revaluation of investment properties, the Group recorded a net fair value gain of \$174.8 million (4Q 2014: \$461.8 million) in the quarter, of which \$70.1 million (4Q 2014: \$254.1 million) was recorded by subsidiary projects and were recognised in other operating income while \$104.7 million (4Q 2014: \$207.7 million) was recorded through share of results of associates and joint ventures.

In 4Q 2015, the Group has made a net impairment and provision for foreseeable losses amounting to \$119.7 million (4Q 2014: \$174.8 million) mainly in respect of development projects and investments in Singapore, China, India and Abu Dhabi, of which \$105.1 million was recognised in cost of sales, while \$22.8 million in share of results of associates and joint ventures and a write back of \$8.2 million was recognised in other operating income.

The portfolio gains in 4Q 2015 of \$23.3 million (4Q 2014: loss of \$14.3 million) arose mainly from the divestment of Rivervale Mall by CMT.

#### **EBIT Contribution by Geography**

Singapore and China markets remain the key contributors to EBIT, accounting for 74.3% of total EBIT (4Q 2014: 89.4%). Singapore EBIT was \$176.0 million or 29.3% of total EBIT (4Q 2014: \$527.0 million or 60.8%) while China EBIT was \$270.2 million or 45.0% of total EBIT (4Q 2014: \$248.4 million or 28.6%).

Singapore EBIT decreased mainly due to absence of Westgate and CapitaGreen gains, partially mitigated by lower provision for foreseeable losses and impairments. EBIT from China increased on account of higher number of units handed over to buyers this quarter and lower provision for foreseeable losses and impairments, partially offset by lower fair value gains on revaluation of investment properties.

#### **PATMI**

Overall, the Group achieved a PATMI from continuing operations of \$247.7 million in 4Q 2015, which was 40.4% lower than 4Q 2014 PATMI of \$415.6 million. Including PATMI from discontinued operation, the Group's total PATMI was 39.5% lower than 4Q 2014. The lower PATMI was mainly attributable to the lower fair value gains from revaluation of investment properties and lower operating PATMI.

The Group's operating PATMI was \$249.2 million, 12.1% lower than the same quarter last year mainly due to the absence of profit contribution from Westgate Tower. Excluding the profit from the sale of Westgate Tower, operating PATMI improved by 55.7%, driven by higher hand over in China and better operating performance for shopping malls and serviced residences.

#### **FY 2015 vs FY 2014**

The Group achieved a revenue of \$4,761.9 million and a PATMI of \$1,065.7 million in FY 2015.

#### **Revenue**

FY 2015's revenue increased by 21.3%, driven mainly by our development projects in China as well as higher rental revenue from our serviced residence business, partially offset by absence of contribution from the sale of Westgate Tower and lower revenue recognition from Vietnam development projects. The higher revenue from China was attributable to higher number of residential units handed over from subsidiary projects and consolidation of CL Township's revenue with effect from March 2015 as well as fair value gains of \$208.0 million arising from the change in use of The Paragon (Tower 5 and 6) and Ascott Heng Shan to investment properties.

Singapore accounted for 32.7% (FY 2014: 54.7%) of the Group's revenue while China operations accounted for 49.1% (FY 2014: 22.0%). Together they accounted for 81.8% (FY 2014: 76.7%) of the Group's revenue.

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### **EBIT**

The Group achieved an EBIT of \$2,316.0 million in FY 2015, which was 5.0% lower than FY 2014. The lower EBIT was mainly due to lower fair value gains on revaluation of properties and higher provision for impairment and foreseeable losses, partially mitigated by better operating performance and divestment gains as compared to a loss in the previous year.

The improvement in operating performance was mainly driven by fair value gains in respect of The Paragon (Tower 5 and 6), Ascott Heng Shan and Raffles City Changning, improved operating performance from shopping malls and serviced residence businesses and a gain from the repurchase of convertible bonds. The increase was partially offset by lower residential margins arising from different product mix, absence of contribution from the sale of Westgate Tower and forfeiture deposit arising from an abortive deal in Vietnam in FY 2014.

In terms of revaluation of investment properties, the Group recorded a fair value gain of \$632.9 million in FY 2015 (FY 2014: \$904.5 million) at the EBIT level. The fair value gains from investment properties in Singapore, China and Malaysia were lower, while investment properties in Japan, Vietnam, Australia, Europe and The United States of America were higher.

For the full year, the Group has made a net provision for impairment and foreseeable losses totaling \$185.1 million (FY 2014: \$166.3 million), mainly in respect of development projects and investments in Singapore, China, Abu Dhabi and India.

The divestment gains in FY 2015 was \$27.2 million (FY 2014: loss of \$17.7 million), which arose mainly from the divestment of Rivervale Mall and the realisation of foreign currency translation reserve for CCDF, partially offset by a loss from the dilution of CapitaLand Commercial Trust's (CCT) interest in MRCB-Quill REIT.

### **EBIT Contribution by Geography**

Singapore and China markets remain the key contributors to EBIT, accounting for 79.0% of total EBIT from continuing operations (FY 2014: 83.5%). Singapore EBIT was \$920.0 million or 39.7% of total EBIT (FY 2014: \$1,284.6 million or 52.7%) while China EBIT was \$910.3 million or 39.3% of total EBIT (FY 2014: \$751.2 million or 30.8%).

Singapore EBIT decreased mainly due to absence of Westgate and CapitaGreen gains, partially mitigated by higher contribution from shopping malls, project cost saving from development projects in Singapore, a gain from the repurchase of convertible bonds, lower provision for impairment and foreseeable losses and higher portfolio gains. EBIT from China increased mainly attributable to higher contribution from shopping malls and serviced residences, higher fair value gains on revaluation of properties as well as higher portfolio gains, partially offset by higher provision for impairment and foreseeable losses.

### **Finance Costs**

Finance costs increased mainly due to the increase in the level of borrowings in FY 2015 as compared to the corresponding period last year. The average cost of borrowings in FY 2015 was 3.5% (FY 2014: 3.4%).

### **PATMI**

Overall, the Group achieved a PATMI from continuing operations of \$1,065.7 million in FY 2015, which was 5.8% lower than FY 2014 PATMI of \$1,131.7 million. The lower PATMI was mainly attributable to absence of profit contribution from Westgate Tower, lower fair value gains on revaluation of investment properties and higher provision for impairments and foreseeable losses, partially mitigated by gains on change in use of development properties for sale to investment properties, contribution from the increased stake in CMA as well as higher portfolio gains.

Including PATMI from discontinued operation recorded in FY 2014, the Group's total PATMI for FY 2015 was 8.2% lower than FY 2014 total PATMI of \$1,160.8 million. The Group's operating PATMI of \$823.6 million was 16.8% higher than last year, primarily due to higher recurring income from the shopping mall and serviced residence businesses as well as gains on the change in use of development properties for sale to investment properties.

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**Segment Performance**

**CL Singapore**

S\$M	4Q 2015	4Q 2014	Variance (%)	FY 2015	FY 2014	Variance (%)
Revenue	305.2	368.9	(17.3)	1,229.1	1,241.5	(1.0)
EBIT	76.0	344.3	(77.9)	496.4	802.7	(38.2)

In 4Q 2015, CL Singapore sold 93 residential units (4Q 2014: 41 units), bringing the total number of residential units sold in FY 2015 to 244 units (FY 2014: 278 units) with a sales value of \$559 million (FY 2014: \$561 million).

Revenue in 4Q 2015 and FY 2015 were lower against the same periods mainly due to absence of revenue from sale of Westgate Tower in 4Q 2014 and lower contributions from Sky Habitat and Bedok Residences after both projects obtained Temporary Occupation Permit in 2Q 2015. This was partially mitigated by higher rental income from CCT and CapitaGreen as well as sales contribution from The Interlace, Sky Vue and Marine Blue.

EBIT for 4Q and FY2015 were lower due to absence of Westgate and CapitaGreen gains, lower operating EBIT as well as higher provision for foreseeable losses for residential projects. In addition, EBIT for FY 2015 was also impacted by a loss arising from the dilution of CCT's interest in MRCB-Quill REIT in Malaysia.

**CL China**

S\$M	4Q 2015	4Q 2014	Variance (%)	FY 2015	FY 2014	Variance (%)
Revenue	1,055.5	231.8	355.4	2,039.3	637.5	219.9
EBIT	205.8	94.8	117.2	664.6	409.1	62.4

In 4Q 2015, 2,910 units with a sales value of RMB 3.8 billion or approximately \$0.8 billion were sold (4Q 2014: 1,673 units; RMB 3.3 billion). For FY 2015, CL China achieved record sales of 9,402 units with a sales value of RMB15.4 billion or approximately \$3.4 billion (FY 2014: 4,961 units; RMB 7.6 billion). CL China achieved higher sales across all regions and significant contributors were from The Paragon and Lotus Mansion in Shanghai, Dolce Vita in Guangzhou, Riverfront in Hangzhou, The Metropolis in Kunshan, One iPark in Shenzhen, Century Park in Chengdu and La Botanica in Xian.

In 4Q 2015, CL China handed over 2,960 units to home buyers (4Q 2014: 1,457 units). The units handed over were mainly from Lotus Mansion and The Metropolis, as well as sales and handover of completed units from The Paragon. Including 3,407 units handed over in YTD September 2015, CL China delivered a total of 6,367 units in FY 2015 (FY 2014: 7,948 units).

Revenue for CL China in 4Q 2015 was higher mainly due to higher number of residential units being handed over to home buyers. FY 2015 revenue was further boosted by fair value gains recognised from the change in use of development projects to investment properties in respect of The Paragon (Tower 5 and 6) and Ascott Heng Shan, as well as the consolidation of CL Township with effect from March 2015, following the completion of the acquisition of the remaining 60% equity interest in CL Township.

Higher EBIT in 4Q 2015 was mainly due to higher number of units being handed over. FY 2015 EBIT was also boosted by fair value gains recognised from the change in use in respect of three development projects mentioned above, as well as higher revaluation gains. The increase was partially offset by higher impairment losses and absence of reversal of cost accruals upon projects' finalisation in FY 2014.

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**CMA**

S\$M	4Q 2015	4Q 2014	Variance (%)	FY 2015	FY 2014	Variance (%)
Revenue	158.2	656.5	(75.9)	662.6	1,177.7	(43.7)
EBIT	228.0	380.1	(40.0)	794.3	945.2	(16.0)

The lower revenue for 4Q 2015 and FY 2015 was largely due to the absence of CMA's proportionate share of revenue from the sale of Westgate Tower completed in 4Q 2014, lower revenue recognition from Bedok Residences and the loss of contribution from Bedok Mall in 4Q 2015 as a result of the sale to CMT. Rental revenue grew in both periods, arising from higher rental income at Westgate mall and contributions from newly acquired malls, namely Tropicana City in Malaysia and Vivit Minami-Funabashi in Japan. Property and fund management fees from Singapore and China also continued to drive revenue in 2015.

Similarly, EBIT for both periods was lower due to the absence of profit from Westgate Tower sale. Excluding this, EBIT for 4Q 2015 and FY 2015 was marginally higher than previous comparative periods by 0.7% and 0.4% respectively. This was largely due to improved contributions from Westgate mall, better performance from the portfolio of malls in China, lower administrative expenses and the share of the gain recognised upon the divestment of Rivervale Mall by CMT, partially offset by lower revaluation gains on investment properties.

Excluding the Westgate Tower sale, CMA's operating EBIT improved by 13.9% and 13.3% to \$163.8 million and \$600.4 million in 4Q 2015 and FY 2015 respectively.

**Ascott**

S\$M	4Q 2015	4Q 2014	Variance (%)	FY 2015	FY 2014	Variance (%)
Revenue	198.0	176.6	12.1	744.1	682.9	9.0
EBIT	98.7	96.2	2.6	326.0	297.5	9.6

In 4Q 2015, Ascott extended its global footprint to Cambodia by securing a contract to manage its first serviced residence in the country. Ascott has also secured contracts to manage 10 other properties in Vietnam, Thailand, China and Philippines. This increased Ascott's portfolio to about 43,000 units. In addition, Ascott opened 3 more properties in Japan, China and Saudi Arabia.

Ascott acquired two prime properties in Paris and Tokyo through its serviced residence global fund during the quarter. The USD 600 million serviced residence global fund was set up in July 2015 and is a 50:50 joint venture with Qatar Investment Authority.

Revenue for 4Q 2015 and FY 2015 were higher mainly due to contribution from properties acquired / opened in 2014 and 2015 as well as higher fee income.

EBIT for 4Q 2015 and FY 2015 were higher mainly due to contribution from properties acquired / opened in 2014 and 2015, higher fee income as well as higher portfolio gains. The increase was partially offset by the lower fair value gains from investment properties.

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**Corporate and Others**

<b>S\$M</b>	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>Variance (%)</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>Variance (%)</b>
<b>Revenue</b>	22.7	84.0	(73.0)	86.8	184.9	(53.1)
<b>EBIT</b>	(8.2)	(48.0)	83.0	34.8	(17.5)	NM

Corporate and Others include Corporate Office, Surbana, Storhub and other businesses in Vietnam, Indonesia, Japan and GCC.

In 4Q 2015, CapitaLand Vietnam (CL Vietnam) sold 448 residential units (4Q 2014: 103 units), bringing the total number of residential units sold in FY 2015 to 1,321 units (FY 2014: 1,125 units) with a sales value of \$226.5 million (FY 2014: \$151.5 million).

In 4Q 2015, CL Vietnam handed over units to 66 units to home buyers (4Q 2014: 239 units). The units handed over were mainly from Mulberry Lane. Including 206 units handed over in YTD September 2015, CL Vietnam delivered a total of 272 units in FY 2015 (FY 2014: 1,082 units).

The lower revenue in 4Q 2015 and FY 2015 was attributable to lower sales from The Vista and Mulberry Lane projects in Vietnam as well as absence of contribution from The Parkhouse Nishi Azabu which was completed in 4Q 2015.

The lower loss at EBIT level for 4Q 2015 was mainly due to absence of impairment for Surbana in 4Q 2014 and fair value gains on investment properties, partially offset by lower revenue.

For FY 2015, the improvement in EBIT was driven by the absence of impairment for Surbana, a gain on repurchase of convertible bonds, portfolio gains as compared to a loss in FY 2014, partially offset by lower revenue and the absence of a forfeiture deposit from Vietnam.

**9 Variance from Prospect Statement**

The current results are broadly in line with the prospect statement made when the third quarter 2015 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**

**Singapore**

The Group expects the impact of the property cooling measures to continue to weigh on the market. . The Cairnhill Road project, The Nassim and Victoria Park Villas will be launch-ready in 1H 2016. The Group will also continue to source for well-located sites to build its pipeline.

The outlook for office occupancy and rental is expected to remain subdued. As at 31 December 2015, CCT's total portfolio committed occupancy stood at 97.1%.

The Group's portfolio of malls in Singapore is well-underpinned by their connections to the public transportation networks and locations in either large population catchments or within popular shopping and tourist destinations. These malls will continue to provide a steady stream of income.

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### **China**

Residential sales in China are expected to continue to perform steadily in 2016. The Group expects favorable government policies to have a positive impact on the residential market. For 2016, the Group has over 7,000 launch-ready units and is expected to complete over 9,000 units.

The Group's four operating Raffles City developments will continue to generate stable leasing income. The other four new Raffles City developments are on-track for completion by phases over the next few years.

The Group's malls in China are expected to benefit from the Chinese government's commitment to rebalance its economy by driving domestic consumption. Going forward, the focus remains on opening new malls and driving performance of existing malls.

### **Serviced Residence**

CapitaLand continues to grow its serviced residence business, Ascott, into a global business. Ascott's operations will remain resilient through the extended stay business model and well-diversified global presence.

Ascott will continue to grow its fee-based income through securing more management contracts as part of its strategy to scale up its global network in key gateway cities.

### **Other Growth Platforms**

The Group remains focused on Singapore and China as core markets, while it continues to expand in growth markets such as Vietnam and Indonesia.

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**11 Dividend**

- 11(a) Any dividend declared for the present financial period?** Yes. Please refer to Note 18.  
**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 obtained a general mandate from shareholders for Interested Person Transactions.

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

Not applicable.

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**15 Segmental Revenue and Results – Continuing operations**

**15(a)(i) By Strategic Business Units (SBUs) – 4Q 2015 vs 4Q 2014**

	Revenue			Earnings before interest & tax		
	4Q 2015 S\$'000	4Q 2014 S\$'000	Variance %	4Q 2015 S\$'000	4Q 2014 S\$'000	Variance %
<b>Continuing operations</b>						
CapitaLand Singapore <sup>(1)</sup>	305,152	368,858	(17.3)	75,991	344,275	(77.9)
CapitaLand China	1,055,522	231,777	355.4	205,818	94,754	117.2
CapitaLand Mall Asia	158,159	656,509	(75.9)	228,001	380,056	(40.0)
Ascott	198,013	176,618	12.1	98,679	96,185	2.6
Corporate and Others <sup>(2)</sup>	22,726	84,046	(73.0)	(8,176)	(48,011)	83.0
<b>Total</b>	<b>1,739,572</b>	<b>1,517,808</b>	<b>14.6</b>	<b>600,313</b>	<b>867,259</b>	<b>(30.8)</b>

**15(a)(ii) By Strategic Business Units (SBUs) – FY 2015 vs FY 2014**

	Revenue			Earnings before interest & tax		
	FY 2015 S\$'000	FY 2014 S\$'000	Variance %	FY 2015 S\$'000	FY 2014 S\$'000	Variance %
<b>Continuing operations</b>						
CapitaLand Singapore <sup>(1)</sup>	1,229,129	1,241,537	(1.0)	496,369	802,683	(38.2)
CapitaLand China	2,039,264	637,500	219.9	664,578	409,101	62.4
CapitaLand Mall Asia	662,594	1,177,744	(43.7)	794,289	945,162	(16.0)
Ascott	744,087	682,934	9.0	325,962	297,496	9.6
Corporate and Others <sup>(2)</sup>	86,780	184,883	(53.1)	34,828	(17,502)	NM
<b>Total</b>	<b>4,761,854</b>	<b>3,924,598</b>	<b>21.3</b>	<b>2,316,026</b>	<b>2,436,940</b>	<b>(5.0)</b>

Note : <sup>(1)</sup> Includes residential business in Malaysia.

<sup>(2)</sup> Includes Surbana (Consultancy), Storhub and other businesses in Vietnam, Indonesia, Japan and GCC.



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**15(b)(i) By Geographical Location – 4Q 2015 vs 4Q 2014**

	Revenue			Earnings before interest & tax		
	4Q 2015	4Q 2014 <sup>(1)</sup>	Variance	4Q 2015	4Q 2014 <sup>(1)</sup>	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Continuing operations</b>						
Singapore	373,031	952,312	(60.8)	175,973	527,047	(66.6)
China <sup>(1)</sup>	1,134,628	297,151	281.8	270,218	248,392	8.8
Other Asia <sup>(2)</sup>	126,956	179,597	(29.3)	103,500	74,705	38.5
Europe & Others <sup>(3)</sup>	104,957	88,748	18.3	50,622	17,115	195.8
<b>Total</b>	<b>1,739,572</b>	<b>1,517,808</b>	<b>14.6</b>	<b>600,313</b>	<b>867,259</b>	<b>(30.8)</b>

**15(b)(ii) By Geographical Location – FY 2015 vs FY 2014**

	Revenue			Earnings before interest & tax		
	FY 2015	FY 2014	Variance	FY 2015	FY 2014	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Continuing operations</b>						
Singapore	1,556,528	2,145,274	(27.4)	919,987	1,284,602	(28.4)
China <sup>(1)</sup>	2,336,448	865,261	170.0	910,292	751,153	21.2
Other Asia <sup>(2)</sup>	487,951	558,527	(12.6)	314,713	298,756	5.3
Europe & Others <sup>(3)</sup>	380,927	355,536	7.1	171,034	102,429	67.0
<b>Total</b>	<b>4,761,854</b>	<b>3,924,598</b>	<b>21.3</b>	<b>2,316,026</b>	<b>2,436,940</b>	<b>(5.0)</b>

Note : <sup>(1)</sup> China including Hong Kong.

<sup>(2)</sup> Excludes Singapore and China and includes projects in GCC.

<sup>(3)</sup> Includes Australia and USA.

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

Please refer to Item 8.

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**17 Breakdown of Group's Revenue and Profit After tax for first half year and second half year**

	2015 S\$'000	2014 S\$'000	Increase/ (Decrease) %
(a) Revenue			
- first half	1,946,311	1,487,862	30.8
- second half	2,815,543	2,436,736	15.5
<b>Full year revenue</b>	<b>4,761,854</b>	<b>3,924,598</b>	<b>21.3</b>
(b) Profit after tax before deducting minority interests ("PAT")			
- first half	822,411	919,630	(10.6)
- second half	672,845	840,063	(19.9)
<b>Full year PAT</b>	<b>1,495,256</b>	<b>1,759,693</b>	<b>(15.0)</b>

**18 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 profit after tax and non-controlling interests excluding unrealised revaluation gains or losses as well as impairment charges or write backs.

The Directors are pleased to propose an ordinary dividend of 9.0 cents per share for the financial year ended 31 December 2015, subject to shareholders' approval.

Name of Dividend	Current financial year ended 31/12/2015		
	Ordinary	Special	Total
Type of Dividend	Cash	-	Cash
Dividend Per share	9.0 cents	-	9.0 cents
<b>Annual Dividend (S\$'000)</b>	382,318	-	382,318

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2015. The actual dividend payment can only be determined on books closure date.

Name of Dividend	Previous financial year ended 31/12/2014		
	Ordinary	Special	Total
Type of Dividend	Cash	-	Cash
Dividend Per share	9.0 cents	-	9.0 cents
<b>Annual Dividend (S\$'000)</b>	384,069	-	384,069

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#### **19 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, CapitalLand 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.

#### **20 Subsequent Event**

On 5 February 2016, the Group entered into a sale and purchase agreement to dispose its entire interest in two wholly owned subsidiaries, Somerset Zhongguancun (S) Pte. Ltd (SZGC). and Beijing Yuanyue Property Management Co., Ltd. (BYY) for a total consideration of \$125.3 million, to unrelated third parties. SZGC owns a serviced apartment located in Beijing and BYY provides property management services to the divested property. The Group is expected to recognise a gain of approximately \$68 million arising from the transaction. Completion is expected to be in second quarter of 2016.

#### **BY ORDER OF THE BOARD**

Michelle Koh  
Company Secretary  
17 February 2016

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management on future events.