CAPITALAND LIMITED

(Registration Number : 198900036N)

2017 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CAPITALAND LIMITED
2017 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group					
	Note	3Q 2017 S$'000	3Q 2016 S$'000	Better/ (Worse) %	YTD Sep 2017 S$'000	YTD Sep 2016 S$'000	Better/ (Worse) %
Revenue	A	**1,507,233**	**1,373,700**	**9.7**	**3,397,175**	**3,399,527**	**(0.1)**
Cost of sales	B	(1,000,436)	(950,395)	(5.3)	(2,179,834)	(2,393,170)	8.9
Gross profit		506,797	423,305	19.7	1,217,341	1,006,357	21.0
Other operating income	C	264,503	24,693	971.2	828,535	318,518	160.1
Administrative expenses	D	(99,041)	(99,334)	0.3	(280,616)	(284,185)	1.3
Other operating expenses	E	(14,997)	(3,684)	(307.1)	(9,975)	(9,640)	(3.5)
Profit from operations		657,262	344,980	90.5	1,755,285	1,031,050	70.2
Finance costs		(128,990)	(111,641)	(15.5)	(337,357)	(344,153)	2.0
Share of results (net of tax) of:	F						
- associates		74,777	71,735	4.2	394,133	315,824	24.8
- joint ventures		61,417	77,692	(20.9)	250,493	196,870	27.2
		136,194	149,427	(8.9)	644,626	512,694	25.7
Profit before taxation		664,466	382,766	73.6	2,062,554	1,199,591	71.9
Taxation	G	(87,185)	(61,155)	(42.6)	(215,392)	(194,804)	(10.6)
Profit for the period		577,281	321,611	79.5	1,847,162	1,004,787	83.8
Attributable to:							
Owners of the Company ("PATMI")		**316,950**	**247,502**	**28.1**	**1,283,018**	**759,817**	**68.9**
Non-controlling interests ("NCI")		260,331	74,109	(251.3)	564,144	244,970	(130.3)
Profit for the period		577,281	321,611	79.5	1,847,162	1,004,787	83.8

1(a)(ii) Explanatory Notes to Income Statement – 3Q 2017 vs 3Q 2016

The Group assesses its control over its non-wholly owned investees on a continuous basis under FRS 110 *Consolidated Financial Statements*. In 3Q 2017, the Group assessed that it now has sufficient interest to control CapitaLand Mall Trust (CMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (RCST) and accordingly, consolidated CMT, CRCT and RCST into its Group's results with effect from August 2017 (see item 4 for details).

(A) Revenue

The higher revenue in 3Q 2017 were mainly attributable to the development projects in Singapore, shopping mall and serviced residence businesses, as well as contributions from CMT, CRCT and RCST which were consolidated with effect from this quarter. This was partially offset by lower contribution from development projects in China (see item 8 for details).

(B) Cost of Sales

In line with higher revenue, the cost of sales also increased but at a lower rate as the proportion for rental revenue, which contributed higher gross profit margin as compared to the Group's development projects, were higher this quarter. In addition, the Group recorded provision for foreseeable losses amounting to $4.2 million (3Q 2017: Nil) during the quarter.

(C) Other Operating Income

		Group		
		3Q 2017 S$'000	3Q 2016 S$'000	Better/ (Worse) (%)
Other Operating Income		**264,503**	**24,693**	**971.2**
Investment income		2,951	2,776	6.3
Interest income	(i)	16,101	10,978	46.7
Other income (including portfolio gains)	(ii)	129,533	8,415	NM
Fair value gains of investment properties	(iii)	115,918	2,133	NM
Foreign exchange gain		-	391	(100.0)

NM: Not meaningful

(i) Interest income increased mainly due to higher placement of surplus funds with financial institutions.

(ii) Other income in 3Q 2017 included portfolio gains of $118.9 million which arose from divestments of Wilkie Edge in Singapore and setting up of a commercial fund in Vietnam, as well as a re-measurement gain of $12.0 million arising from consolidation of CMT and CRCT. The Group's previously held equity interests in CMT and CRCT are re-measured to fair value with the resultant gains recognised in the profit or loss upon the consolidation of the two REITs.

(iii) Fair value gains of investment properties in 3Q 2017 arose from Golden Shoe Car Park and the serviced residence component of Funan integrated development in Singapore, as well as the divestment of two serviced residence properties in China during the quarter.

(D) Administrative Expenses

	Group		
	3Q 2017 S$'000	3Q 2016 S$'000	Better/ (Worse) (%)
Administrative Expenses	**(99,041)**	**(99,334)**	**0.3**
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(17,010)	(16,877)	(0.8)
(Allowance)/ writeback for doubtful receivables and bad debts written off	(188)	6	NM

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were marginally lower this quarter as the lower professional fees was partially offset by provision for share-based expenses.

(E) Other Operating Expenses

The increase in other operating expenses was mainly due to the recognition of a net foreign exchange losses in 3Q 2017, which arose from the revaluations of RMB payables as SGD has depreciated against RMB, partially mitigated by gains arising from revaluation of EURO receivables as SGD has depreciated against EURO during the quarter.

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

The increase in share of results from associates in 3Q 2017 was mainly due to a gain from divestment of CapitaMall Anzhen, Beijing by CRCT prior to being consolidated, partially offset by absence of share of results from CMT and CRCT as both REITs were consolidated by the Group with effect from 3Q 2017.

Share of results from joint ventures for 3Q 2017 was lower mainly due to RCST, which was consolidated by the Group with effect from 3Q 2017.

(G) 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.

The increase in tax expense during the quarter was mainly due to tax expenses provided on divestment of properties in China. Included in 3Q 2017's tax expense was a tax provision of $4.7 million in respect of prior years (3Q 2016: tax provision of $3.7 million in respect of prior years).

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

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

3Q 2017	**PATMI (S$M)**
Wilkie Edge, Singapore	24.2
60% stake in CapitaLand Vietnam Commercial Fund I, Vietnam (CVCFI)	16.4
Re-measurement gain arising from the consolidation of CMT and CRCT	12.0
CapitaMall Anzhen, Beijing	11.0
Somerset Whitefield, India	5.8
Others (includes realisation of FCTR on liquidation of subsidiaries)	10.3
Total Group's share of gain after tax & NCI for 3Q 2017	**79.7**
3Q 2016	
Izumiya Hirakata, Japan	(4.0)
Others	(0.3)
Total Group's share of losses after tax & NCI for 3Q 2016	**(4.3)**

1(a)(iii) Statement of Comprehensive Income

	Group					
	3Q 2017 S$'000	**3Q 2016 S$'000**	**Change %**	**YTD Sep 2017 S$'000**	**YTD Sep 2016 S$'000**	**Change %**
Profit for the period	577,281	321,611	79.5	1,847,162	1,004,787	83.8
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)	7,281	(71,045)	NM	(315,590)	(849,510)	(62.9)
Change in fair value of available-for-sale investments	(1,455)	3,142	NM	3,008	17,024	(82.3)
Effective portion of change in fair value of cash flow hedges (2)	16,936	23,280	(27.3)	(64,176)	(60,200)	6.6
Share of other comprehensive income of associates and joint ventures (3)	208,207	52,706	295.0	82,378	(494,868)	NM
Total other comprehensive income, net of tax	230,969	8,083	NM	(294,380)	(1,387,554)	(78.8)
Total comprehensive income	808,250	329,694	145.2	1,552,782	(382,767)	NM
Attributable to:						
Owners of the Company	**521,978**	**255,337**	**104.4**	**1,017,046**	**(465,852)**	**NM**
Non-controlling interests	286,272	74,357	285.0	535,736	83,085	544.8
Total comprehensive income	808,250	329,694	145.2	1,552,782	(382,767)	NM

Notes:

1. *3Q 2017's exchange differences arose mainly from the depreciation of SGD against RMB by 1.83%, partially mitigated by the appreciation of SGD against USD by 1.92%.*

   YTD September 2017's exchange differences arose mainly from the appreciation of SGD against RMB and USD by 0.48% and 4.91% respectively.

2. *The effective portion of change in fair value of cash flow hedges for 3Q 2017 and YTD September 2017 arose mainly from the mark-to-market gains/losses of the Group's interest rate swaps, cross currency swaps contracts and medium term notes which were entered into for hedging purpose.*

3. *The share of other comprehensive income of associates and joint ventures relate mainly to share of foreign currency translation reserve. 3Q 2017's share of exchange difference arose mainly from the depreciation of SGD against RMB by 1.83% and USD against RMB by 3.68%.*

   YTD September 2017's share of exchange difference arose mainly from the depreciation of USD against RMB by 4.22%, partially mitigated by the appreciation of SGD against RMB by 0.48%.

1(b)(i) Balance Sheet

	Group			Company		
	30/09/2017 S$'000	**31/12/2016 S$'000**	**Change %**	**30/09/2017 S$'000**	**31/12/2016 S$'000**	**Change %**
Non-current assets						
Property, plant & equipment	854,338	781,431	9.3	36,946	29,146	26.8
Intangible assets (1),(2)	541,953	441,835	22.7	147	147	-
Investment properties(1),(3)	33,326,962	18,998,389	75.4	-	-	-
Subsidiaries	-	-	-	12,833,543	12,246,583	4.8
Associates & joint ventures (1),(5)	10,043,325	12,617,257	(20.4)	-	-	-
Other non-current assets	1,147,833	1,136,604	1.0	397	397	-
	45,914,411	**33,975,516**	**35.1**	**12,871,033**	**12,276,273**	**4.8**
Current assets						
Development properties for sale and stocks (4)	*4,126,155*	*4,837,081*	*(14.7)*	*-*	*-*	*-*
Trade & other receivables (1),(5)	*1,581,886*	*1,858,809*	*(14.9)*	*394,660*	*1,113,211*	*(64.5)*
Other current assets (1)	*42,923*	*2,134*	*NM*	*-*	*-*	*-*
Assets held for sale (6)	*300,266*	*274,602*	*9.3*	*-*	*-*	*-*
Cash & cash equivalents (1),(7)	*6,097,197*	*4,792,629*	*27.2*	*15,655*	*7,791*	*100.9*
	12,148,427	**11,765,255**	**3.3**	**410,315**	**1,121,002**	**(63.4)**
Less: Current liabilities						
Trade & other payables (1),(8)	*5,274,101*	*4,685,037*	*12.6*	*263,814*	*127,793*	*106.4*
Short-term borrowings (1),(9)	*2,018,234*	*2,373,428*	*(15.0)*	*-*	*683,312*	*(100.0)*
Current tax payable	*493,166*	*650,669*	*(24.2)*	*2,599*	*2,602*	*(0.1)*
Liabilities held for sale (6)	*6,840*	*19,263*	*(64.5)*	*-*	*-*	*-*
	7,792,341	**7,728,397**	**0.8**	**266,413**	**813,707**	**(67.3)**
Net current assets	**4,356,086**	**4,036,858**	**7.9**	**143,902**	**307,295**	**(53.2)**
Less: Non-current liabilities						
Long-term borrowings(1),(9)	17,490,856	12,478,948	40.2	2,631,081	2,045,746	28.6
Other non-current liabilities (1)	1,528,969	1,232,951	24.0	9,643	13,964	(30.9)
	19,019,825	**13,711,899**	**38.7**	**2,640,724**	**2,059,710**	**28.2**
Net assets	**31,250,672**	**24,300,475**	**28.6**	**10,374,211**	**10,523,858**	**(1.4)**
Representing:						
Share capital	6,309,496	6,309,496	-	6,309,496	6,309,496	-
Revenue reserves	11,896,262	11,029,084	7.9	3,993,728	4,159,919	(4.0)
Other reserves(10)	679	266,265	(99.7)	70,987	54,443	30.4
Equity attributable to owners of the Company	18,206,437	17,604,845	3.4	10,374,211	10,523,858	(1.4)
Non-controlling interests(1)	13,044,235	6,695,630	94.8	-	-	-
Total equity	**31,250,672**	**24,300,475**	**28.6**	**10,374,211**	**10,523,858**	**(1.4)**

Notes:

1. *In 3Q 2017, the Group commenced consolidation of CMT, CRCT and RCST which were previously equity accounted as associates and joint ventures (see item 4 for details). The consolidation of the 3 trusts increased the Group's intangible assets, investment properties, trade & other receivables, other current assets, cash & cash equivalents, trade & other payables, borrowings and other non-current liabilities as well as non-controlling interests, and decreased the associates & joint ventures.*

2. *The increase was mainly attributable to the acquisition of 80% stake in Synergy Global Housing in United States of America.*

3. *The increase was mainly due to the acquisitions of a portfolio of four properties in Japan and an office building in China as well as fair value gains for the period. The increase was partially offset by the divestments of two office buildings, namely One George Street in Singapore and Innov Tower in China, an integrated development property in Singapore, Wilkie Edge and reclassification of three investment properties to assets held for sale (see note 6).*

4. *The decrease was mainly due to handover from residential projects in Singapore and China.*

5. *The decrease was mainly due to repayment of advances extended to associates.*

6. *The increase was mainly due to the reclassification of the Group's interests in two serviced residences in China, namely Citadines Biyun Shanghai and Citadines Gaoxin Xi'an and the serviced residence component of Funan Singapore to assets held for sale following the announcement of the divestments on 3 July 2017 and 4 August 2017 respectively. The assets and liabilities of these properties were accordingly reclassified to assets held for sale and liabilities held for sale respectively as at 30 September 2017. The increase in assets held for sale was partly offset by the completion of divestment of Group's interest in a residential project in Singapore, The Nassim.*

7. *The cash balances as at 30 September 2017 included $1.64 billion held at CapitaLand Limited and its treasury vehicles (comprising CapitaLand Treasury Limited, CapitaMalls Asia Treasury Limited and The Ascott Capital Pte Ltd).*

8. *The increase was mainly due to higher progress billings in respect of our residential sales in China, deposits received for divestment of two serviced residences in China, namely Citadines Biyun Shanghai and Citadines Gaoxin Xi'an.*

9. *The decrease in short-term borrowings was mainly due to settlement in accordance with the repayment terms. The increase in long-term borrowings was mainly due to additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction.*

10. *The decrease in other reserves was mainly due to foreign currency translation differences arising from the appreciation of SGD against RMB and USD during the period.*

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

	Group	
	As at 30/09/2017 S$'000	**As at 31/12/2016 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	570,979	382,640
Unsecured	1,447,255	1,990,788
Sub-Total 1	**2,018,234**	**2,373,428**
Amount repayable after one year:-		
Secured	4,526,347	4,539,781
Unsecured	12,964,509	7,939,167
Sub-Total 2	**17,490,856**	**12,478,948**
Total Debt	**19,509,090**	**14,852,376**
Cash	**6,097,197**	**4,792,629**
Total Debt less Cash	**13,411,893**	**10,059,747**

As at 30 September 2017, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately $3.2 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

	3Q 2017 S$'000	3Q 2016 S$'000	YTD Sep 2017 $'000	YTD Sep 2016 $'000
Cash Flows from Operating Activities				
Profit after taxation	**577,281**	**321,611**	**1,847,162**	**1,004,787**
Adjustments for :				
Amortisation of intangible assets	342	792	2,229	1,998
Allowance/(Write back) for:				
- Foreseeable losses	4,200	(223)	4,200	18,389
- Doubtful receivables	(141)	(9)	2,678	(385)
- Impairment loss on financial assets	-	-	-	6,891
- Impairment on investment in associate and joint ventures	1,737	-	1,737	-
- Impairment on property, plant and equipment	-	23	-	16
Gain from bargain purchase	(476)	-	(26,941)	-
Share-based expenses	19,730	12,528	37,523	28,473
Net change in fair value of financial instruments	(542)	(233)	(982)	(3,073)
Depreciation of property, plant and equipment	16,896	16,276	50,494	48,441
Loss/ (gain) on disposal and write-off of property, plant and equipment	599	(1,229)	160	(1,373)
(Gain)/ loss on disposal of investment properties	(77,861)	4,010	(95,844)	4,010
Net fair value loss/ (gain) from assets held for sale	8	2,094	(111)	4,334
Net fair value gain from investment properties	(115,926)	(4,227)	(324,907)	(217,856)
Gain on disposal/liquidation/dilution of equity investments and other financial assets	(41,008)	(746)	(304,427)	(14,480)
Share of results of associates and joint ventures	(136,194)	(149,427)	(644,626)	(512,694)
Interest expense	128,990	111,641	337,357	344,153
Interest income	(16,101)	(10,978)	(39,109)	(33,371)
Taxation	87,185	61,155	215,392	194,804
	(128,562)	**41,447**	**(785,177)**	**(131,723)**
Operating profit before working capital changes	**448,719**	**363,058**	**1,061,985**	**873,064**
Changes in working capital				
Trade and other receivables	(38,857)	(317,130)	(210,871)	(300,481)
Development properties for sale	391,886	718,443	693,054	851,328
Trade and other payables	35,420	212,531	43,981	802,452
Restricted bank deposits	(612)	256	(12,681)	4,471
	387,837	**614,100**	**513,483**	**1,357,770**
Cash generated from operations	**836,556**	**977,158**	**1,575,468**	**2,230,834**
Income tax paid	(51,307)	(55,658)	(298,689)	(315,893)
Net cash generated from Operating Activities	**785,249**	**921,500**	**1,276,779**	**1,914,941**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	-	-	255	427
Purchase of property, plant and equipment	(16,098)	(19,034)	(118,744)	(62,781)
Advances from/ Repayment of loans by/ (to) associates and joint ventures	(323,310)	(8,663)	(411,224)	395,837
Repayment from investee companies and other receivables	-	-	-	22,194
Deposits placed for investments	(85,812)	(328,952)	(104,955)	(419,430)
Deposit received for disposal of a subsidiary	91,046	-	100,947	-
Acquisition/ Development expenditure of investment properties	(244,782)	(143,229)	(962,446)	(589,332)
Proceeds from disposal of investment properties	282,876	79,524	1,318,375	79,524
(Investment in)/ Proceed from disposal of other financial assets	(7,945)	-	(8,714)	1,871
Proceeds from disposal of assets held for sale	-	29,877	400,720	58,835
Dividends received from associates, joint ventures and other investments	60,691	75,951	232,239	301,601
Acquisition of subsidiaries, net of cash acquired	625,908	(7,324)	236,829	(22,595)
Disposal of subsidiaries, net of cash disposed of	546,643	(3,999)	858,909	123,781
Settlement of hedging instruments	(4,838)	7,109	(5,212)	16,451
Interest income received	12,070	10,333	28,251	28,039
Net cash generated/ (used in) from Investing Activities	**936,449**	**(308,407)**	**1,565,230**	**(65,578)**

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

	3Q 2017 S$'000	3Q 2016 S$'000	YTD Sep 2017 $'000	YTD Sep 2016 $'000
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	-	-	-	105
Purchase of treasury shares	-	-	-	(56,839)
Contributions from non-controlling interests	19,702	(400)	262,162	100,188
Repayment of shareholder loans from non-controlling interests	(2,195)	(30,161)	(5,144)	(44,415)
Payment for acquisition of ownership interests in subsidiaries with no change in control	-	(28,107)	(5,758)	(42,594)
Proceeds from bank borrowings	1,385,933	939,425	3,465,085	2,728,849
Repayments of bank borrowings	(962,903)	(975,607)	(2,982,866)	(3,546,737)
Proceeds from issue of debt securities	-	75,000	-	297,450
Repayments of debt securities	(550,000)	-	(1,064,500)	-
Repayments of finance lease payables	(821)	(739)	(2,340)	(2,208)
Dividends paid to non-controlling interests	(256,274)	(140,081)	(431,850)	(321,767)
Dividends paid to shareholders	-	-	(424,714)	(383,034)
Interest expense paid	(105,993)	(132,141)	(333,862)	(359,083)
Bank deposits withdrawn for bank facility	(1,130)	(892)	(1,945)	(1,512)
Net cash used in Financing Activities	**(473,681)**	**(293,703)**	**(1,525,732)**	**(1,631,597)**
Net increase in cash and cash equivalents	**1,248,017**	**319,390**	**1,316,277**	**217,766**
Cash and cash equivalents at beginning of the period	4,794,606	3,904,541	4,777,752	4,153,302
Effect of exchange rate changes on cash balances held in foreign currencies	25,071	2,035	(26,335)	(145,102)
Cash and cash equivalents at end of the period	**6,067,694**	**4,225,966**	**6,067,694**	**4,225,966**
Restricted cash deposits	29,503	17,021	29,503	17,021
Cash and cash equivalents in the Balance Sheet	**6,097,197**	**4,242,987**	**6,097,197**	**4,242,987**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $6,097.2 million as at 30 September 2017 included $274.5 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

Cash flows analysis
3Q 2017 vs 3Q 2016

In 3Q 2017, the Group generated a net cash from operating activities of $785.2 million as compared to $921.5 million for the corresponding quarter last year. The decrease was mainly due to lower sales from development projects in China, partially mitigated by higher collections from development projects in Singapore.

Net cash generated from investing activities for the quarter was $936.4 million. This comprised mainly proceeds from the divestment of properties/investments in China, Singapore and Vietnam and the effect of consolidation of CMT, CRCT and RCST during the quarter; partially offset by advances to associates and joint ventures.

Net cash used in financing activities for 3Q 2017 was $473.7 million. This was due mainly to dividends paid to non-controlling interests, interest expense paid and repayment of debt securities, partially mitigated by net proceeds from bank borrowings.

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

For the period ended 30/09/2017 vs 30/09/2016 – Group

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/07/2017	**6,309,496**	**11,589,894**	**(223,498)**	**17,675,892**	**7,075,493**	**24,751,385**
Total comprehensive income						
Profit for the period		316,950		**316,950**	260,331	**577,281**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(7,919)	**(7,919)**	15,200	**7,281**
Change in fair value of available-for-sale investments			(672)	**(672)**	(783)	**(1,455)**
Effective portion of change in fair value of cash flow hedges			7,349	**7,349**	9,587	**16,936**
Share of other comprehensive income of associates and joint ventures			206,270	**206,270**	1,937	**208,207**
Total other comprehensive income, net of income tax	-	-	205,028	**205,028**	25,941	**230,969**
Total comprehensive income	**-**	**316,950**	**205,028**	**521,978**	**286,272**	**808,250**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Contributions from non-controlling interests (net)					142,968	**142,968**
Conversion of convertible bonds			(1,585)	**(1,585)**	(3,591)	**(5,176)**
Redemption of convertible bonds		(1,145)	1,145	**-**	-	**-**
Dividends paid/payable					(264,385)	**(264,385)**
Distribution attributable to perpetual securities issued by a subsidiary		(2,125)		**(2,125)**	2,125	**-**
Share-based payments			15,595	**15,595**	304	**15,899**
Total contributions by and distributions to owners	-	(3,270)	15,155	**11,885**	(122,579)	**(110,694)**
Changes in ownership interests in subsidiaries and other capital transactions						
Changes in ownership interests in subsidiaries with change in control #				**-**	5,798,971	**5,798,971**
Changes in ownership interests in subsidiaries with no change in control		(6,431)	(211)	**(6,642)**	6,642	**-**
Share of reserves of associates and joint ventures		(1,472)	3,801	**2,329**	-	**2,329**
Others		591	404	**995**	(564)	**431**
Total changes in ownership interests in subsidiaries and other capital transactions	-	(7,312)	3,994	**(3,318)**	5,805,049	**5,801,731**
Total transactions with owners	**-**	**(10,582)**	**19,149**	**8,567**	**5,682,470**	**5,691,037**
Balance as at 30/09/2017	**6,309,496**	**11,896,262**	**679**	**18,206,437**	**13,044,235**	**31,250,672**

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

 # Mainly relates to the NCI of CMT and CRCT following the consolidation of these two trusts.

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

For the period ended 30/09/2017 vs 30/09/2016 – Group (cont'd)

	Share Capital S$'000	Revenue Reserves S$'000	Other Reserves* S$'000	**Total S$'000**	Non-controlling Interests S$'000	**Total Equity S$'000**
Balance as at 01/07/2016	**6,309,496**	**10,421,385**	**10,206**	**16,741,087**	**6,966,527**	**23,707,614**
Total comprehensive income						
Profit for the period		247,502		**247,502**	74,109	**321,611**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(58,074)	**(58,074)**	(12,971)	**(71,045)**
Change in fair value of available-for-sale investments			515	**515**	2,627	**3,142**
Effective portion of change in fair value of cash flow hedges			13,129	**13,129**	10,151	**23,280**
Share of other comprehensive income of associates and joint ventures			52,265	**52,265**	441	**52,706**
Total other comprehensive income, net of income tax	-	-	7,835	**7,835**	248	**8,083**
Total comprehensive income	**-**	**247,502**	**7,835**	**255,337**	**74,357**	**329,694**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of treasury shares			(60)	**(60)**	-	**(60)**
Contributions from non-controlling interests (net)				**-**	10,721	**10,721**
Dividends paid/payable				**-**	(151,777)	**(151,777)**
Distribution attributable to perpetual securities issued by a subsidiary		(2,115)		**(2,115)**	2,115	**-**
Reclassification of equity compensation reserve		39,310	(39,310)	**-**	-	**-**
Share-based payments			10,486	**10,486**	68	**10,554**
Total contributions by and distributions to owners	-	37,195	(28,884)	**8,311**	(138,873)	**(130,562)**
Changes in ownership interests in subsidiaries and other capital transactions						
Changes in ownership interests in subsidiaries with no change in control		(19,761)	13,767	**(5,994)**	(21,309)	**(27,303)**
Share of reserves of associates and joint ventures		(969)	936	**(33)**	-	**(33)**
Others		(7,575)	6,836	**(739)**	-	**(739)**
Total changes in ownership interests in subsidiaries and other capital transactions	-	(28,305)	21,539	**(6,766)**	(21,309)	**(28,075)**
Total transactions with owners	**-**	**8,890**	**(7,345)**	**1,545**	**(160,182)**	**(158,637)**
Balance as at 30/09/2016	**6,309,496**	**10,677,777**	**10,696**	**16,997,969**	**6,880,702**	**23,878,671**

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

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

For the period ended 30/09/2017 vs 30/09/2016 – Company

	Share Capital S$'000	Revenue Reserves S$'000	Reserve For Own Shares S$'000	Capital Reserves S$'000	Equity Comp Reserves S$'000	**Total Equity S$'000**
Balance as at 01/07/2017	**6,309,496**	**3,978,992**	**(78,514)**	**135,715**	**10,301**	**10,355,990**
Total comprehensive income						
Profit for the period		14,736				**14,736**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Share-based payments					3,485	**3,485**
Total transactions with owners	**-**	**-**	**-**	**-**	**3,485**	**3,485**
Balance as at 30/09/2017	**6,309,496**	**3,993,728**	**(78,514)**	**135,715**	**13,786**	**10,374,211**
Balance as at 01/07/2016	**6,309,496**	**3,934,592**	**(107,160)**	**162,277**	**33,167**	**10,332,372**
Total comprehensive income						
Profit for the period		28,322				**28,322**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of treasury shares			(60)			**(60)**
Share-based payments					3,196	**3,196**
Reclassification of equity compensation reserve		23,372			(23,372)	
Total transactions with owners	**-**	**23,372**	**(60)**	**-**	**(20,176)**	**3,136**
Balance as at 30/09/2016	**6,309,496**	**3,986,286**	**(107,220)**	**162,277**	**12,991**	**10,363,830**

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

Issued Share Capital

During the quarter under review, there was no change in the Company's issued share capital. As at 30 September 2017, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,247,292,358 (31 December 2016: 4,237,387,475) ordinary shares.

CapitaLand Share Plans

Performance Share Plan

As at 30 September 2017, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 10,704,405 (30 September 2016: 11,035,837).

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 2014, the maximum is 170 percent of the baseline award. 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 30 September 2017, 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 10,910,810 (30 September 2016: 11,456,221) and 11,914,410 (30 September 2016: 9,351,752) respectively, of which 2,502,221 (30 September 2016: 2,093,658) shares out of the former and 1,865,802 (30 September 2016: 965,170) 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.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 30 September 2017:

Principal Amount $ million	Final Maturity Year	Conversion price $	Convertible into new ordinary shares
650.00	2020	4.9875	130,325,814
650.00	2025	4.9700	130,784,708
571.75	2022	11.5218	49,623,322
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 501,146,563 (30 September 2016: 541,741,484) representing a 11.8% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 September 2017.

1(d)(iii) Treasury Shares

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 3Q 2017. As at 30 September 2017, the Company held 27,091,388 treasury shares which represents 0.6% 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 2016, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2017 as follows:

Amendments to FRS 7 *Statement of Cash Flows*
Amendments to FRS 12 *Income Taxes*
Amendments to FRS 112 *Disclosure of Interests in Other Entities*

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

<u>Consolidation of CMT, CRCT and RCST</u>

In accordance with FRS 110, the Group continuously assesses its control over the investments in non-wholly owned entities. The Group is considered to control an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

Determining whether the Group has control over these entities, particularly the REITs that the Group manages requires management judgement. In exercising its judgement, management considers the proportion of its ownership interest and voting rights, the REIT managers' decision making authority over the REITs as well as the Group's overall exposure to variable returns, both from the REIT managers' remuneration and their interests in the REITs.

The Group's equity stake in CMT and CRCT has progressively increased over the years arising from the issuance of units as consideration for management fees, acquisition and divestment fees as well as participation in distribution reinvestment plan. In 3Q 2017, the Group assessed that it now has sufficient interest to control CMT and CRCT having entered into arrangements to receive management fees and divestment fees in units.

As the Group owns equity stakes in RCST through both CapitaLand Commercial Trust, a consolidated entity of the Group and CMT, with the consolidation of CMT, the Group assessed that it has also control over RCST.

The change in control is accounted for prospectively and the quantitative impact of the change is set out below:

	Group $'000 Increase/ (Decrease)
<u>Balance sheet as at 30 September 2017</u>	
Total Assets	12,014,306
Total Liabilities	6,182,090
Total Equity	**5,832,216**
<u>Income statement for nine months ended 30 September 2017</u>	
Revenue	169,161
EBIT	114,825
Profit attributable to Owner of the Company	12,023*
Basic earnings per share (cents)	0.28
Diluted earnings per share (cents)	0.25

* *Amount relates to the re-measurement gains arising from the consolidation of CMT and CRCT.*

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			
		3Q 2017	3Q 2016	YTD Sep 2017	YTD Sep 2016
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	7.5	5.8	30.2	17.9
	Weighted average number of ordinary shares (in million)	4,247.3	4,237.4	4,245.1	4,246.4
6(b)	EPS based on fully diluted basis (in cents)	7.1	5.5	28.0	16.9
	Weighted average number of ordinary shares (in million)	4,744.4	4,763.0	4,742.1	4,772.0

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

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Net asset value per share	$4.29	$4.15	$2.44	$2.48
Net tangible assets per share	$4.16	$4.05	$2.44	$2.48

8 Review of the Group's performance

Group Overview

S$M	3Q 2017	3Q 2016	Better/ (Worse) (%)	YTD Sep 2017	YTD Sep 2016	Better/ (Worse) (%)
Revenue	1,507.2	1,373.7	9.7	3,397.2	3,399.5	(0.1)
Earnings before Interest and Tax ("EBIT")	793.5	494.4	60.5	2,399.9	1,543.7	55.5
Finance costs	(129.0)	(111.6)	(15.5)	(337.4)	(344.2)	2.0
Profit Before Taxation	664.5	382.8	73.6	2,062.6	1,199.6	71.9
Total PATMI	317.0	247.5	28.1	1,283.0	759.8	68.9
Comprising:						
Operating PATMI(1)	204.5	251.8	(18.8)	748.9	576.2	30.0
Portfolio gains/ (losses)(2)	79.7	(4.3)	NM	195.0	4.5	NM
Revaluation gains and impairments	32.8	-	NM	339.1	179.1	89.3

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

Operating PATMI for YTD September 2017 included a gain of $160.9 million from the sale of 45 units of The Nassim in 1Q 2017. Operating PATMI for YTD September 2016 included a fair value gain of $30.5 million which arose from the change in use of a development project in China, Raffles City Changning Tower 2 in 1Q 2016. The change in use of the development was due to a reclassification of the project from construction for sale to leasing as an investment property.

(2) Portfolio gains/ losses comprise gains or losses arising from divestments and gains from bargain purchase or re-measurement on acquisitions.

3Q 2017 vs 3Q 2016

For the quarter under review, the Group achieved a revenue of $1,507.2 million and a PATMI of $317.0 million.

Revenue

Group revenue for 3Q 2017 increased by 9.7% to $1,507.2 million on account of higher contribution from development projects in Singapore, higher rental revenue from newly acquired/opened shopping malls and serviced residences, as well as the consolidation of revenue from CMT, CRCT and RCST with effect from 3Q 2017. The increase was partially offset by lower handover of units to homebuyers from development projects in China.

Collectively, the two core markets of Singapore and China accounted for 81.2% (3Q 2016: 82.9%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $793.5 million in 3Q 2017 (3Q 2016: $494.4 million), 60.5% higher than 3Q 2016 on account of higher rental income following the consolidation of CMT, CRCT and RCST, as well higher revaluations and portfolio gains.

At EBIT level, the portfolio gains in 3Q 2017 of $132.6 million (3Q 2016: loss of $4.3 million) relate to the re-measurement gain arising from the consolidation of CMT and CRCT, as well as divestments of Wilkie Edge in Singapore, CapitaMall Anzhen in China and an investment in Vietnam.

The Group recorded fair value gains amounting to $125.4 million in 3Q 2017 in respect of Golden Shoe Car Park and serviced residence component of Funan integrated development in Singapore, Citadines Biyun Shanghai in China following the announcement of divestments.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 84.4% of total EBIT (3Q 2016: 80.4%). Singapore EBIT was $395.1 million or 49.8% of total EBIT (3Q 2016: $211.6 million or 42.8%) while China EBIT was $274.9 million or 34.6% of total EBIT (3Q 2016: $185.9 million or 37.6%).

Singapore EBIT in 3Q 2017 increased by $183.5 million mainly due to the consolidation of CMT and RCST and higher portfolio and fair value gains recognised during the quarter.

China EBIT in 3Q 2017 increased by $89.0 million on the back of better operating performance from shopping mall business, consolidation of CRCT and higher fair value gains on divestment of investment properties, partially offset by lower handover of units from development projects.

PATMI

Overall, the Group achieved a PATMI of $317.0 million in 3Q 2017, 28.1% higher than the corresponding quarter mainly due to higher portfolio and fair value gains arising from divestment of investments.

Operating PATMI for 3Q 2017 decreased by 18.8% to $204.5 million, mainly due to lower handover of residential projects in China, and impact of divestment of certain commercial assets in Singapore, partially mitigated by contributions from newly acquired and opened shopping malls and serviced residence properties.

YTD September 2017 vs YTD September 2016

The Group achieved a revenue of $3,397.2 million and a PATMI of $1,283.0 million in YTD September 2017.

Revenue

Revenue for YTD September 2017 was comparable with the same period last year as the lower contribution from development projects in Singapore was mitigated by higher contribution from development projects in China, rental contribution from newly acquired and opened properties, as well as the consolidation of revenue from CMT, CRCT and RCST. The development projects which contributed to the higher revenue in China for YTD September 2017 included Summit Era in Ningbo, Chengdu Century Park West in Chengdu, One iPark in Shenzhen and The Beaufort in Beijing.

Singapore accounted for 37.0% (YTD September 2016: 41.9%) of the Group's revenue while China operations accounted for 41.2% (YTD September 2016: 38.4%). Together, the two core markets of Singapore and China accounted for 78.2% (YTD September 2016: 80.3%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $2,399.9 million for YTD September 2017 (YTD September 2016: $1,543.7 million), 55.5% higher than YTD September 2016. The increase was mainly attributable to the gain from the sale of The Nassim, higher contributions from our development projects in China and rental income due to consolidation of CMT, CRCT and RCST, higher revaluation and portfolio gains as well as lower impairment losses. The higher EBIT was partially offset by absence of fair value gain from change in use of Raffles City Changning Tower 2 recognised in YTD September 2016.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $585.4 million in YTD September 2017 (YTD September 2016: $285.5 million). The increase in revaluation gains came mainly from investment properties in Singapore, China and Europe, partially offset by lower gains recorded by investment properties in Malaysia and Japan.

At EBIT level, the portfolio gains in YTD September 2017 of $278.1 million (YTD September 2016: $13.0 million) arose mainly from the divestments of Innov Tower in China, Wilkie Edge in Singapore, Zenith Residences in Japan, investments in Vietnam, as well as the re-measurement gain arising from the consolidation of CMT and CRCT.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 86.0% of total EBIT (YTD September 2016: 81.2%). Singapore EBIT was $1,143.7 million or 47.7% of total EBIT (YTD September 2016: $634.3 million or 41.1%) while China EBIT was $920.1 million or 38.3% of total EBIT (YTD September 2016: $619.3 million or 40.1%).

Singapore EBIT was higher on account of the gain from sale of The Nassim, consolidation of CMT and higher revaluation and portfolio gains. China EBIT increased due to higher contributions from development projects and shopping malls, as well as revaluation and portfolio gains. The higher EBIT was partially offset by absence of fair value gain from change in use in YTD September 2016.

Finance Costs

Finance costs for YTD September 2017 were lower compared to the corresponding period last year mainly due to lower average cost of borrowings at 3.2% (YTD September 2016: 3.4%).

PATMI

Overall, the Group achieved a PATMI of $1,283.0 million in YTD September 2017, 68.9% higher than YTD September 2016 of $759.8 million on the back of improved operating performance, higher fair value gains from revaluation of investment properties and portfolio gains. The increase was partially offset by the absence of a fair value gain from the change in use of Raffles City Changning Tower 2.

Operating PATMI for YTD September 2017 increased by $172.7 million or 30.0% mainly attributable to higher contributions from our development projects in Singapore and China, shopping mall and serviced residence businesses.

Segment Performance

CL Singapore

S$M	3Q 2017	3Q 2016	Better/ (Worse) (%)	YTD Sep 2017	YTD Sep 2016	Better/ (Worse) (%)
Revenue	493.9	337.1	46.5	895.1	996.3	(10.2)
EBIT	220.6	148.3	48.8	806.1	401.8	100.6

In 3Q 2017, CL Singapore sold 108 residential units (3Q 2016: 206 units), bringing the total number of residential units sold in YTD September 2017 to 293 units (YTD September 2016: 510 units) with a sales value of $1,151 million (YTD September 2016: $1,241 million).

The higher revenue in 3Q 2017 was mainly due to higher sales contributions from Victoria Park Villas and The Interlace as well as consolidation of revenue from RCST, offset by loss of rental revenue from One George Street (50% divested) and Wilkie Edge (fully divested), as well as the re-development of Golden Shoe Carpark.

Revenue for YTD September 2017 was lower against same period last year mainly due to higher sales contribution from Sky Vue, Cairnhill Nine and The Nassim last year. The Nassim was divested in January 2017. In addition, lower rental revenue was recorded during the period from several commercial properties as mentioned above.

EBIT for 3Q 2017 and YTD September was higher mainly due to gains from the divestment of Wilkie Edge and Golden Shoe Car Park, partly offset by lower contribution from residential projects. In addition, YTD September 2017 EBIT was boosted by gains from the sale of The Nassim and One George Street.

CL China

S$M	3Q 2017	3Q 2016	Better/ (Worse) (%)	YTD Sep 2017	YTD Sep 2016	Better/ (Worse) (%)
Revenue	418.8	636.3	(34.2)	1,131.4	1,094.0	3.4
EBIT	109.1	136.1	(19.9)	581.4	303.6	91.5

In 3Q 2017, CL China sold 2,087 units with a sales value of RMB 4.3 billion or approximately $0.9 billion (3Q 2016: 2,903 units; RMB 5.8 billion). For the nine months ended September 2017, 7,233 units were sold at a value of RMB 12.7 billion or approximately $2.6 billion (YTD September 2016: 9,176 units; RMB 14.8 billion). The lower sales was primarily due to fewer units available for sale, with over 9,000 available units in YTD September 2017, as compared to over 11,000 available units in the previous corresponding period. The sales were mainly from La Botanica in Xian, Citta Di Mare in Guangzhou, The Metropolis in Kunshan, Raffles City Residences in Chongqing, New Horizon in Shanghai, Summit Era in Ningbo, Vermont Hills in Beijing and Sky Habitat, the SOHO units of Raffles City Hangzhou.

Capital Square opened in Shanghai on 1st September 2017, with committed occupancy rates of 98% and 62% achieved for its retail and office operations respectively as at end September 2017. The Group's recurring income base from its integrated development business have also been further enhanced, with the retail components of the three Raffles City developments in Shenzhen, Changning District in Shanghai and Hangzhou commencing operations in the previous quarter and achieving committed occupancy rates over 90%.

Revenue for CL China is recognised on completion basis upon handover of units to home buyers. In 3Q 2017, CL China handed over 1,630 units to home buyers (3Q 2016: 3,254 units). The units handed over during the quarter were mainly from completion of projects/phases from Dolce Vita in Guangzhou, and Century Park West in Chengdu. Including 2,279 units handed over in 1H 2017, CL China delivered a total of 3,909 units in YTD September 2017 (YTD September 2016: 5,684 units).

Revenue for 3Q 2017 was lower than the previous corresponding period mainly due to fewer units being completed and handed over during the quarter. Despite lower units handed over during the year, revenue was higher for YTD September 2017 as the units handed over were from projects that have higher average selling prices.

EBIT for 3Q 2017 was lower in line with revenue. YTD September 2017 EBIT was however higher, mainly due to improved operating performance, divestment gains and fair value gains recognised from the revaluation of investment properties.

CMA

S$M	3Q 2017	3Q 2016	Better/ (Worse) (%)	YTD Sep 2017	YTD Sep 2016	Better/ (Worse) (%)
Revenue	311.5	151.3	105.8	624.4	447.2	39.6
EBIT	289.2	140.6	105.7	671.8	532.6	26.1

Since embarking on its mall network expansion strategy in August 2016, CMA has secured seven management contracts in Singapore and China to date, growing the portfolio by close to 340,000 square metres within a year. The positive momentum affirms the value of CapitaLand's retail platform to property owners, and the scalability of CMA's management contract model.

The higher revenue for 3Q 2017 and YTD September 2017 were mainly due to consolidation of CMT, CRCT and RCST, new contribution from the portfolio of four office and retail properties in Japan that was acquired in February 2017 as well as malls in China.

Excluding the re-measurement gain and consolidation of CMT and CRCT, EBIT for 3Q 2017 and YTD September 2017 were higher than the corresponding periods by 35.8% and 7.7% respectively largely due to portfolio gains arising from the divestment of a mall in China, fair value gains from the divestment of the serviced residence component of the Funan integrated development in Singapore, as well as contribution from the newly acquired office and retail properties in Japan. EBIT for YTD September 2017 was partially offset by the absence of CMA's proportionate share of fair value gains from the change in use of Raffles City Changning Tower 2 recognised in 2016.

Ascott

S$M	3Q 2017	3Q 2016	Better/ (Worse) (%)	YTD Sep 2017	YTD Sep 2016	Better/ (Worse) (%)
Revenue	276.8	233.8	18.4	726.7	820.9	(11.5)
EBIT	174.4	64.9	168.7	353.5	310.4	13.9

In 3Q 2017, Ascott completed the acquisition of an additional 60% stake in Quest Apartment Hotels, as well as the 80% stake in Synergy Global Housing.

Ascott has also added a total of 19 properties to its portfolio through investments, management contracts and franchise agreements across Australia, China, Southeast Asia, the Gulf Region, Europe and the United States of America.

Revenue for 3Q was higher mainly due to the contribution from the newly acquired properties and investments.

Revenue for YTD September 2017 was lower mainly due to the lower contribution from Cairnhill Nine project in Singapore, which Ascott owns a 50% stake. This was partially mitigated by the contribution from newly acquired properties and investments. Revenue per available unit (REVPAU) for Ascott's portfolio remained stable at S$117.

EBIT for 3Q 2017 and YTD September 2017 was higher mainly due to Ascott's share of higher fair value gains from revaluations of investment properties following the announcement of the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an, and the contributions from newly acquired properties and investments.

Corporate and Others

S$M	3Q 2017	3Q 2016	Better/ (Worse) (%)	YTD Sep 2017	YTD Sep 2016	Better/ (Worse) (%)
Revenue	6.3	15.1	(58.5)	19.7	41.1	(52.0)
EBIT	0.2	4.5	(95.9)	(12.8)	(4.7)	(171.5)

For 2016, Corporate and Others include Corporate Office, StorHub and other businesses in Vietnam, Japan and the GCC.

With effect from 2017, the StorHub and the Japan businesses are reported under CMA, and businesses under Indonesia and GCC are reported under CL Singapore and Ascott respectively. The comparative figures in 2016 have not been restated as the changes are not material.

In 3Q 2017, CL Vietnam sold 541 residential units (3Q 2016: 186 units) with a sales value of $210.6 million (3Q 2016: $34.4 million). YTD 30 September 2017, 1,197 residential units (YTD September 2016: 656 units) were sold with a sales value of $412.9 million (YTD September 2016: $113.9 million). The sales were mainly from d'Edge, Feliz en Vista, Seasons Avenue, and Mulberry Lane.

Revenue for CL Vietnam is recognised on completion basis upon handover of units to home buyers. YTD September 2017, CL Vietnam handed over 870 residential units (YTD September 2016: 98 units), comprising 472 units in 1H 2017 (1H 2016: 61 units) and 398 units in 3Q 2017 (3Q 2016: 37 units), to home buyers. The units handed over were mainly from Mulberry Lane and joint venture projects, namely Vista Verde and The Krista.

Revenue for 3Q 2017 and YTD September 2017 was lower due to lower handover of units from subsidiary projects in Vietnam.

EBIT for 3Q 2017 and YTD September 2017 was lower mainly due to higher provision for share-based expenses.

9 Variance from Prospect Statement

The 3Q 2017 operating performance was broadly in line with the prospect statement made when the second quarter 2017 financial results were announced. Overall, 3Q 2017 results were positively impacted by portfolio and revaluation gains recognised during the quarter.

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 residential property market sentiment to improve, underpinned by increased buying volume and a rise in home prices. The Group will continue to adopt a disciplined approach and source for well-located sites to build its residential pipeline.

While occupancy rates for the CBD and Grade A offices declined slightly in 3Q 2017, the average monthly Grade A office rate rose by 1.7% quarter-on-quarter, supporting the view that market rents may have bottomed out. As at 30 September 2017, CCT's portfolio occupancy rate of 98.5% remains higher than the market occupancy rate. Going forward, CCT continues to proactively engage in tenant retention and forward lease renewals.

The retail landscape in Singapore continues to be challenging. The Group's portfolio of quality shopping malls, which are well-connected to public transportation networks, and well located in large population catchments or within popular shopping and tourist destinations, are expected to remain resilient. At the same time, the Group will continue to enhance its existing portfolio either through third party management contracts, capital reconstitution or asset enhancement initiatives.

China

The Chinese government remains committed to rebalance its economy by increasing domestic consumption and growth in the non-manufacturing sector, which bodes well for the real estate industry. The property cooling measures implemented by the Chinese government to tighten regulations on home purchasing and mortgage restrictions are starting to have some impact on the residential market. As such, the Group expects a slower pace of sales growth for the rest of 2017. In 4Q 2017, the Group will have additional 600 launch-ready units.

Raffles City Changning, Raffles City Hangzhou and Raffles City Shenzhen opened during the second quarter of 2017, and together with the Group's four operating Raffles City developments, have further enhanced the Group's recurring income base. Raffles City Chongqing remains on-track to open in phases, starting from the second half of 2018. With the opening of Capital Square in Shanghai during 3Q 2017, the Group further deepened its presence in integrated developments in China.

The Group's shopping mall portfolio in China recorded moderate growth in same store sales during the quarter. The Group will continue to enhance its scale and network through selective acquisitions and new management contracts, to achieve an optimal asset mix, and deepen its presence in the Group's five core city clusters.

Serviced Residence

Ascott's diversified global platform is expected to surpass its target of 80,000 units by 2020. Ascott also remains focused on growing its fee-based income through securing more management contracts and franchises, as well as establishing strategic partnerships. Through this expansion of Ascott's network, the management fees that we receive over time will increasingly contribute to the Group's return on equity.

Other Geographical Platforms

Singapore and China continue to be CapitaLand's core markets, while it scales up presence in markets such as Vietnam through quality residential and commercial projects. In August 2017, the Group also successfully set up its first US$300 million commercial fund in Vietnam, and announced the launch of its maiden integrated development in Central Jakarta, Indonesia.

11 Dividend

11(a) Any dividend declared for the present financial period? No.

11(b) Any dividend declared for the previous corresponding period? No.

11(c) Date payable : Not applicable.

11(d) Books closing date : Not applicable.

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

No interim dividend has been declared or recommended in the current reporting period.

13 Interested Person Transactions

The Company has not 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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 September 2017 and for the nine months ended on that date, to be false or misleading in any material aspect.

On behalf of the Board

Ng Kee Choe	**Lim Ming Yan**
Chairman	Director

16 Segmental Revenue and Results

16(a)(i) By Strategic Business Units (SBUs) – 3Q 2017 vs 3Q 2016

	Revenue			Earnings before interest & tax		
	3Q 2017 S$'000	3Q 2016 S$'000	Better/ (Worse) (%)	3Q 2017 S$'000	3Q 2016 S$'000	Better/ (Worse) (%)
CapitaLand Singapore [1]	493,865	337,109	46.5	220,623	148,283	48.8
CapitaLand China	418,780	636,312	(34.2)	109,065	136,108	(19.9)
CapitaLand Mall Asia	311,471	151,326	105.8	289,155	140,561	105.7
Ascott	276,836	233,817	18.4	174,429	64,927	168.7
Corporate and Others [2]	6,281	15,136	(58.5)	184	4,528	(95.9)
Total	**1,507,233**	**1,373,700**	**9.7**	**793,456**	**494,407**	**60.5**

16(a)(ii) By Strategic Business Units (SBUs) – YTD September 2017 vs YTD September 2016

	Revenue			Earnings before interest & tax		
	YTD Sep 2017 S$'000	YTD Sep 2016 S$'000	Better/ (Worse) (%)	YTD Sep 2017 S$'000	YTD Sep 2016 S$'000	Better/ (Worse) (%)
CapitaLand Singapore [1]	895,110	996,333	(10.2)	806,088	401,848	100.6
CapitaLand China	1,131,359	1,094,003	3.4	581,426	303,566	91.5
CapitaLand Mall Asia	624,363	447,209	39.6	671,772	532,625	26.1
Ascott	726,655	820,932	(11.5)	353,466	310,435	13.9
Corporate and Others [2]	19,688	41,050	(52.0)	(12,841)	(4,730)	(171.5)
Total	**3,397,175**	**3,399,527**	**(0.1)**	**2,399,911**	**1,543,744**	**55.5**

Notes: [1] *Includes residential business in Malaysia and Indonesia.*
[2] *Includes business in Vietnam for 2017. Others for 3Q and YTD September 2016 included StorHub and other businesses in Vietnam, Indonesia, Japan and GCC.*

16(b)(i) By Geographical Location – 3Q 2017 vs 3Q 2016

	Revenue			Earnings before interest & tax		
	3Q 2017 S$'000	3Q 2016 S$'000	Better/ (Worse) (%)	3Q 2017 S$'000	3Q 2016 S$'000	Better/ (Worse) (%)
Singapore	684,819	431,470	58.7	395,079	211,619	86.7
China [1]	539,378	707,688	(23.8)	274,891	185,903	47.9
Other Asia [2]	124,421	121,861	2.1	80,274	64,950	23.6
Europe & Others[3]	158,615	112,681	40.8	43,212	31,935	35.3
Total	**1,507,233**	**1,373,700**	**9.7**	**793,456**	**494,407**	**60.5**

Notes: [1] *China including Hong Kong.*
[2] *Excludes Singapore and China and includes projects in GCC.*
[3] *Includes Australia and USA.*

16(b)(ii) By Geographical Location – YTD September 2017 vs YTD September 2016

	Revenue			Earnings before interest & tax		
	YTD Sep 2017 S$'000	YTD Sep 2016 S$'000	Better/ (Worse) (%)	YTD Sep 2017 S$'000	YTD Sep 2016 S$'000	Better/ (Worse) (%)
Singapore	1,258,637	1,424,931	(11.7)	1,143,736	634,305	80.3
China [(1)]	1,399,109	1,304,870	7.2	920,078	619,311	48.6
Other Asia [(2)]	366,680	356,811	2.8	206,706	178,448	15.8
Europe & Others[(3)]	372,749	312,915	19.1	129,391	111,680	15.9
Total	**3,397,175**	**3,399,527**	**(0.1)**	**2,399,911**	**1,543,744**	**55.5**

Notes: (1) *China including Hong Kong.*
(2) *Excludes Singapore and China and includes projects in GCC.*
(3) *Includes Australia and USA.*

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

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
8 November 2017