CAPITALAND LIMITED

(Registration Number : 198900036N)

2016 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CAPITALAND LIMITED
2016 THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

		Group					
	Note	3Q 2016 S$'000	3Q 2015 S$'000	Better/ (Worse) %	YTD Sep 2016 S$'000	YTD Sep 2015 S$'000	Better/ (Worse) %
Revenue	A	**1,373,700**	**1,075,971**	**27.7**	**3,399,527**	**3,022,282**	**12.5**
Cost of sales	B	(950,395)	(737,835)	(28.8)	(2,393,170)	(1,927,992)	(24.1)
Gross profit		423,305	338,136	25.2	1,006,357	1,094,290	(8.0)
Other operating income	C	24,693	80,503	(69.3)	318,518	430,724	(26.1)
Administrative expenses	D	(99,334)	(98,511)	(0.8)	(284,185)	(290,972)	2.3
Other operating expenses	E	(3,684)	(1,190)	(209.6)	(9,640)	(20,233)	52.4
Profit from operations		344,980	318,938	8.2	1,031,050	1,213,809	(15.1)
Finance costs		(111,641)	(116,406)	4.1	(344,153)	(356,252)	3.4
Share of results (net of tax) of:	F						
- associates		71,735	76,273	(5.9)	315,824	315,572	0.1
- joint ventures		77,692	63,868	21.6	196,870	186,332	5.7
		149,427	140,141	6.6	512,694	501,904	2.1
Profit before taxation		382,766	342,673	11.7	1,199,591	1,359,461	(11.8)
Taxation	G	(61,155)	(64,402)	5.0	(194,804)	(258,779)	24.7
Profit for the period		321,611	278,271	15.6	1,004,787	1,100,682	(8.7)
Attributable to:							
Owners of the Company ("PATMI")		**247,502**	**192,723**	**28.4**	**759,817**	**817,981**	**(7.1)**
Non-controlling interests ("NCI")		74,109	85,548	13.4	244,970	282,701	13.3
Profit for the period		321,611	278,271	15.6	1,004,787	1,100,682	(8.7)

1(a)(ii) Explanatory Notes to Income Statement – 3Q 2016 vs 3Q 2015

(A) Revenue

The increase in revenue was mainly attributable to higher contribution from development projects in Singapore and China as well as higher rental income from commercial portfolio in Singapore and serviced residence business. (Please see item 8 for details).

(B) Cost of Sales

The cost of sales increased in line with the higher revenue from the development projects in Singapore and China.

(C) Other Operating Income

		Group		
		3Q 2016 S$'000	3Q 2015 S$'000	Better/ (Worse) (%)
Other Operating Income		**24,693**	**80,503**	**(69.3)**
Investment income	(i)	2,776	1,770	56.8
Interest income		10,978	11,017	(0.4)
Other income (including portfolio gains)	(ii)	8,415	35,091	(76.0)
Fair value gains of investment properties	(iii)	2,133	17,207	(87.6)
Foreign exchange gain	(iv)	391	13,556	(97.1)
Gain on repurchase of convertible bonds		-	1,862	NM

(i) Investment income increased mainly due to higher distribution received from MRCB-Quill REIT (M REIT) and an investment in Japan.

(ii) Other income in 3Q 2016 was lower due to absence of portfolio gains of $25.0 million which arose from the acquisition of remaining 62.5% stake in CapitaLand China Development Fund Pte Ltd (CCDF) and divestment of six rental housing properties in Japan in 3Q 2015.

(iii) Fair value gains of investment properties were lower due to absence of fair value gain which arose from the acquisition of a hotel property in the United States of America and a mixed development property in Malaysia in 3Q 2015.

(iv) Foreign exchange gain in 3Q 2015 arose mainly from the revaluation of EUR and USD receivables as SGD depreciated against both currencies in that quarter.

(D) Administrative Expenses

	Group		
	3Q 2016 S$'000	3Q 2015 S$'000	Better/ (Worse) (%)
Administrative Expenses	**(99,334)**	**(98,511)**	**(0.8)**
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(16,877)	(21,176)	20.3
Writeback/ (Allowance) for doubtful receivables and bad debts written off	6.1	(222)	NM

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The slight increase in administrative expenses this quarter was mainly due to higher share-based expenses and professional fees offset by lower depreciation.

(E) Other Operating Expenses

The increase in other operating expenses in 3Q 2016 was mainly due to the realisation of foreign currency translation losses upon divestment of a shopping mall, Izumiya Hirakata in Japan.

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

The lower share of results from associates in 3Q 2016 was due to lower contributions, namely from The Loft, d'Leedon as well as Central China Real Estate, partially mitigated by improved performances from malls held by CapitaLand Mall Trust and China Funds.

The increase in share of results from joint ventures in 3Q 2016 was mainly attributed to higher handover of units from Dolce Vita project in China, partially offset by the absence of project cost savings from Urban Suites in 3Q 2015.

(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.

Included in 3Q 2016's was a tax expense of $3.7 million provided in respect of prior years (3Q 2015: writeback of tax provision of $5.5 million in respect of prior years).

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

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

3Q 2016	**PATMI (S$M)**
Izumiya Hirakata, Japan	(4.0)
Others	(0.3)
Total Group's share of loss after tax & NCI for 3Q 2016	**(4.3)**
3Q 2015	
CCDF	18.6
Six rental housing properties in Japan cities of Kyoto, Saga and Sendai	1.9
18.9% interest in four rental housing properties in Osaka, Japan	1.3
Others	1.1
Total Group's share of gain after tax & NCI for 3Q 2015	**22.9**

	Group					
	3Q 2016 S$'000	3Q 2015 S$'000	Change %	YTD Sep 2016 S$'000	YTD Sep 2015 S$'000	Change %
Profit for the period	321,611	278,271	15.6	1,004,787	1,100,682	(8.7)
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)]	(71,045)	221,020	NM	(849,510)	567,005	NM
Change in fair value of available-for-sale investments	3,142	(5,435)	NM	17,024	(9,270)	NM
Effective portion of change in fair value of cash flow hedges [(2)]	23,280	40,803	(42.9)	(60,200)	44,888	NM
Share of other comprehensive income of associates and joint ventures [(3)]	52,706	(88,701)	NM	(494,868)	(89,151)	455.1
Total other comprehensive income, net of tax	8,083	167,687	(95.2)	(1,387,554)	513,472	NM
Total comprehensive income	329,694	445,958	(26.1)	(382,767)	1,614,154	NM
Attributable to:						
Owners of the Company	**255,337**	**380,120**	**(32.8)**	**(465,852)**	**1,323,895**	**NM**
Non-controlling interests	74,357	65,838	12.9	83,085	290,259	(71.4)
Total comprehensive income	329,694	445,958	(26.1)	(382,767)	1,614,154	NM

NM: Not meaningful

Notes:

1. *3Q 2016's exchange differences arose mainly from the appreciation of SGD against USD by 1.2% during the quarter.*

   YTD September 2016's exchange differences arose mainly from the appreciation of SGD against GBP, RMB and USD by 19.1%, 8.2% and 3.6% respectively.

2. *3Q 2016's effective portion of change in fair value of cash flow hedges arose mainly from the mark-to-market gains of the Group's cross currency swaps contracts which were entered into for hedging purpose.*

   YTD September 2016's effective portion of change in fair value of cash flow hedges arose mainly from the mark-to-market losses of the Group's interest rate swaps and cross currencies swaps contracts 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 2016's share of exchange difference arose mainly from the depreciation of USD against RMB by 1.3%.*

   YTD September 2016's share of exchange difference arose mainly from the appreciation of SGD against RMB by 8.2% and USD against RMB by 4.5%.

1(b)(i) Balance Sheet

	Group			Company		
	30/09/2016 S$'000	31/12/2015 S$'000	Change %	30/09/2016 S$'000	31/12/2015 S$'000	Change %
Non-current assets						
Property, plant & equipment	764,175	808,331	(5.5)	21,261	14,391	47.7
Intangible assets	457,064	461,058	(0.9)	147	147	-
Investment properties[(1)]	19,630,491	19,427,532	1.0	-	-	-
Subsidiaries	-	-	-	12,249,410	12,944,900	(5.4)
Associates & joint ventures	12,411,282	12,858,128	(3.5)	-	-	-
Other non-current assets[(2)]	1,010,348	871,017	16.0	731	731	-
	34,273,360	**34,426,066**	**(0.4)**	**12,271,549**	**12,960,169**	**(5.3)**
Current assets						
Development properties for sale and stocks [(3)]	*5,843,488*	*6,936,309*	*(15.8)*	-	-	-
Trade & other receivables [(2),(4)]	*1,828,446*	*1,424,438*	*28.4*	*1,110,360*	*398,489*	*178.6*
Other current assets	*53*	*8,292*	*(99.4)*	-	-	-
Assets held for sale [(5)]	25,235	*84,207*	*(70.0)*	-	-	-
Cash & cash equivalents [(6)]	*4,242,987*	*4,173,281*	*1.7*	*7,826*	*9,249*	*(15.4)*
	11,940,209	**12,626,527**	**(5.4)**	**1,118,186**	**407,738**	**174.2**
Less: Current liabilities						
Trade & other payables [(7)]	*4,953,009*	*4,063,476*	*21.9*	*95,802*	*199,300*	(51.9)
Short-term borrowings [(8)]	*2,666,722*	*2,246,370*	*18.7*	*865,972*	*184,250*	370.0
Current tax payable	*450,061*	*620,472*	*(27.5)*	*2,600*	*2,634*	(1.3)
	8,069,792	**6,930,318**	**16.4**	**964,374**	**386,184**	**149.7**
Net current assets	**3,870,417**	**5,696,209**	**(32.1)**	**153,812**	**21,554**	**613.6**
Less: Non-current liabilities						
Long-term borrowings[(8)]	12,914,800	13,812,110	(6.5)	2,041,169	2,704,520	(24.5)
Other non-current liabilities	1,350,306	1,372,503	(1.6)	20,362	23,506	(13.4)
	14,265,106	**15,184,613**	**(6.1)**	**2,061,531**	**2,728,026**	**(24.4)**
Net assets	**23,878,671**	**24,937,662**	**(4.2)**	**10,363,830**	**10,253,697**	**1.1**
Representing:						
Share capital	6,309,496	6,309,289	0.0	6,309,496	6,309,289	0.0
Revenue reserves	10,677,777	10,305,191	3.6	3,986,286	3,817,479	4.4
Other reserves[(9)]	10,696	1,290,826	(99.2)	68,048	126,929	(46.4)
Equity attributable to owners of the Company	16,997,969	17,905,306	(5.1)	10,363,830	10,253,697	1.1
Non-controlling interests	6,880,702	7,032,356	(2.2)	-	-	-
Total equity	**23,878,671**	**24,937,662**	**(4.2)**	**10,363,830**	**10,253,697**	**1.1**

Notes:

1. *The increase was mainly due to the acquisition of an investment property in 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 a serviced residence in China and a shopping mall in Japan.*

2. *The increase was mainly attributed to the reclassification of a shareholder loan to an associated company from current trade and other receivables in accordance with the repayment terms following the refinancing this year.*

3. *The decrease was mainly due to the completion of Sky Vue and handover from residential projects in China as well as the appreciation of SGD against RMB during the year.*

4. *The increase was due to an increase in accrued receivables following the completion of Sky Vue as well as deposits placed for new investments in Vietnam. The increase was partly offset by the repayment of advances extended to associates and a joint venture as well as the reclassification of a shareholder loan to an associated company to 'Other non-current assets' in accordance with the repayment terms following the refinancing this year.*

5. *The decrease was mainly due to the sale of units in Somerset Fortune Garden.*

6. *The cash balances as at 30 September 2016 included $1.14 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 increase was mainly due to higher progress billings in respect of our residential sales in China as well as advances from an associate.*

8. *The increase in short-term borrowings was due to reclassification of medium term notes and convertible bonds to short-term borrowings in accordance with maturity/put option dates. The overall decrease in borrowings was mainly due to settlement in accordance with the repayment terms.*

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

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

	Group	
	As at 30/09/2016 S$'000	**As at 31/12/2015 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	439,817	596,297
Unsecured	2,226,905	1,650,073
Sub-Total 1	**2,666,722**	**2,246,370**
Amount repayable after one year:-		
Secured	4,948,459	5,344,254
Unsecured	7,966,341	8,467,856
Sub-Total 2	**12,914,800**	**13,812,110**
Total Debt	**15,581,522**	**16,058,480**
Cash	**4,242,987**	**4,173,281**
Total Debt less Cash	**11,338,535**	**11,885,199**

As at 30 September 2016, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately $4.0 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 2016 S$'000	3Q 2015 S$'000	YTD Sep 2016 $'000	YTD Sep 2015 $'000
Cash Flows from Operating Activities				
Profit after taxation	**321,611**	**278,271**	**1,004,787**	**1,100,682**
Adjustments for :				
Amortisation and impairment of intangible assets	792	967	1,998	2,069
Allowance/(Write back) for:				
- Foreseeable losses	(223)	(402)	18,389	63,202
- Doubtful receivables	(9)	212	(385)	(1,230)
- Impairment loss on financial assets	-	-	6,891	-
- Impairment on property, plant and equipment	23	39	16	602
Gain from bargain purchase	-	-	-	(1,239)
Share-based expenses	12,528	10,622	28,473	22,098
Net change in fair value of financial instruments	(233)	1,302	(3,073)	583
Depreciation of property, plant and equipment	16,276	20,398	48,441	55,233
Gain on disposal of property, plant and equipment	(1,229)	(55)	(1,373)	(227)
Loss/(Gain) on disposal of investment properties	4,010	(3,837)	4,010	(3,837)
Net fair value gain from investment properties	(2,133)	(17,207)	(213,522)	(339,619)
Fair value gain arising from change in use of development projects	-	-	-	(207,953)
(Gain)/Loss on disposal/liquidation/dilution of equity investments and other financial assets	(746)	(21,135)	(14,480)	12,816
Share of results of associates and joint ventures	(149,427)	(140,141)	(512,694)	(501,904)
Gain on repurchase of convertible bonds	-	(1,862)	-	(19,783)
Interest expense	111,641	116,406	344,153	356,252
Interest income	(10,978)	(11,017)	(33,371)	(31,742)
Taxation	61,155	64,402	194,804	258,779
	41,447	**18,692**	**(131,723)**	**(335,900)**
Operating profit before working capital changes	**363,058**	**296,963**	**873,064**	**764,782**
Changes in working capital				
Trade and other receivables	(317,130)	174,748	(300,481)	(398,352)
Development properties for sale	718,443	83,649	851,328	651,603
Trade and other payables	212,531	488,248	802,452	922,191
Restricted bank deposits	256	3,026	4,471	(8,733)
	614,100	**749,671**	**1,357,770**	**1,166,709**
Cash generated from operations	**977,158**	**1,046,634**	**2,230,834**	**1,931,491**
Income tax paid	(55,658)	(69,435)	(315,893)	(191,613)
Net cash generated from Operating Activities	**921,500**	**977,199**	**1,914,941**	**1,739,878**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	-	275	427	912
Purchase of property, plant and equipment	(19,034)	(22,886)	(62,781)	(45,452)
Advances from/ Repayment of loans by/ (to) associates and joint ventures	(8,663)	169,380	395,837	405,803
Repayment from investee companies and other receivables	-	-	22,194	-
(Deposits placed)/ Refund of deposits for investments	(328,952)	1,707	(419,430)	(74,976)
Acquisition/ Development expenditure of investment properties	(143,229)	(577,228)	(589,332)	(791,578)
Proceeds from disposal of investment properties	79,524	49,929	79,524	49,929
Proceed from disposal of assets held for sale	29,877	2,913	60,706	3,920
(Acquisition)/ Proceeds from disposal of associates and joint ventures	-	(67,640)	-	84,457
Dividends received from associates and joint ventures	75,951	136,265	301,601	324,828
Acquisition of subsidiaries, net of cash acquired	(7,324)	112,552	(22,595)	71,375
Disposal of subsidiaries, net of cash disposed of	(3,999)	-	123,781	-
Settlement of hedging instruments	7,109	(16,644)	16,451	(14,986)
Interest income received	10,333	21,075	28,039	39,664
Net cash (used in)/ generated from Investing Activities	**(308,407)**	**(190,302)**	**(65,578)**	**53,896**

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

	3Q 2016 S$'000	3Q 2015 S$'000	YTD Sep 2016 $'000	YTD Sep 2015 $'000
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	-	54	105	4,381
Purchase of treasury shares	-	(46,075)	(56,839)	(46,075)
Contributions from non-controlling interests	(400)	74,268	100,188	86,755
(Advance to)/ Repayment of shareholder loans from non-controlling interests	(30,161)	21,732	(44,415)	(9,279)
Payment for acquisition of ownership interests in subsidiaries with no change in control	(28,107)	-	(42,594)	-
Proceeds from issue of perpetual securities	-	(643)	-	247,227
Proceeds from bank borrowings	939,425	1,314,612	2,728,849	3,446,152
Repayments of bank borrowings	(975,607)	(1,561,986)	(3,546,737)	(3,162,689)
Proceeds from issue of debt securities	75,000	180,672	297,450	930,672
Repayments of debt securities	-	(114,010)	-	(1,135,890)
Repayments of finance lease payables	(739)	(730)	(2,208)	(2,096)
Dividends paid to non-controlling interests	(140,081)	(136,445)	(321,767)	(283,349)
Dividends paid to shareholders	-	-	(383,034)	(384,069)
Interest expense paid	(132,141)	(136,886)	(359,083)	(392,219)
Bank deposits pledged for bank facility	(892)	(2,087)	(1,512)	(32,562)
Net cash used in Financing Activities	**(293,703)**	**(407,524)**	**(1,631,597)**	**(733,041)**
Net increase in cash and cash equivalents	**319,390**	**379,373**	**217,766**	**1,060,733**
Cash and cash equivalents at beginning of the period	3,904,541	3,409,614	4,153,302	2,706,073
Effect of exchange rate changes on cash balances held in foreign currencies	2,035	22,596	(145,102)	53,169
Cash and cash equivalents reclassified to asset held for sale	-	(18,151)	-	(26,543)
Cash and cash equivalents at end of the period	**4,225,966**	**3,793,432**	**4,225,966**	**3,793,432**
Restricted cash deposits	17,021	84,618	17,021	84,618
Cash and cash equivalents in the Balance Sheet	**4,242,987**	**3,878,050**	**4,242,987**	**3,878,050**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $4,243.0 million as at 30/09/2016 included $2,058.0 million in fixed deposits and $399.0 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

Cash flows analysis
3Q 2016 vs 3Q 2015

In 3Q 2016, the Group generated a net cash of $921.5 million from its operating activities as compared to $977.2 million for the corresponding quarter last year. The decrease was mainly due to lower cash inflow for working capital requirements during the period.

Net cash used in investing activities for the quarter was $308.4 million. This comprised mainly of deposits paid for new investments in Vietnam and on-going development expenditure, partially offset by proceeds from sale of a mall in Japan as well as dividends received for associates and joint ventures during the quarter.

Net cash used in financing activities for 3Q 2016 was $293.7 million. This was due mainly to dividend payment to non-controlling interests and interest expense paid.

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

For the period ended 30/09/2016 vs 30/09/2015 – 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 01/07/2016	**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 30/09/2016 vs 30/09/2015 – 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 01/07/2015	**6,309,209**	**9,902,231**	**1,043,261**	**17,254,701**	**6,944,488**	**24,199,189**
Total comprehensive income						
Profit for the period		192,723		**192,723**	85,548	**278,271**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			244,740	**244,740**	(23,720)	**221,020**
Change in fair value of available-for-sale investments			(1,412)	**(1,412)**	(4,023)	**(5,435)**
Effective portion of change in fair value of cash flow hedges			33,025	**33,025**	7,778	**40,803**
Share of other comprehensive income of associates and joint ventures			(88,956)	**(88,956)**	255	**(88,701)**
Total other comprehensive income, net of income tax	-	-	187,397	**187,397**	(19,710)	**167,687**
Total comprehensive income	**-**	**192,723**	**187,397**	**380,120**	**65,838**	**445,958**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	54			**54**	-	**54**
Purchase of treasury shares			(46,075)	**(46,075)**		**(46,075)**
Contributions from non-controlling interests (net)				**-**	78,500	**78,500**
Repurchase of convertible bonds		6,726	(10,152)	**(3,426)**	-	**(3,426)**
Dividends paid/payable				**-**	(146,562)	**(146,562)**
Distribution attributable to perpetual securities issued by a subsidiary		(2,224)		**(2,224)**	2,224	**-**
Share-based payments			10,169	**10,169**	77	**10,246**
Total contributions by and distributions to owners	54	4,502	(46,058)	**(41,502)**	(65,761)	**(107,263)**
Changes in ownership interests in subsidiaries and other capital transactions						
Changes in ownership interests in subsidiaries with change in control		8,229	(8,229)			**-**
Changes in ownership interests in subsidiaries with no change in control		(23,128)	8,466	**(14,662)**	5,157	**(9,505)**
Share of reserves of associates and joint ventures		(3,488)	(2,633)	**(6,121)**	-	**(6,121)**
Others		(17,258)	18,826	**1,568**	(564)	**1,004**
Total changes in ownership interests in subsidiaries and other capital transactions	-	(35,645)	16,430	**(19,215)**	4,593	**(14,622)**
Total transactions with owners	**54**	**(31,143)**	**(29,628)**	**(60,717)**	**(61,168)**	**(121,885)**
Balance as at 30/09/2015	**6,309,263**	**10,063,811**	**1,201,030**	**17,574,104**	**6,949,158**	**24,523,262**

** 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 30/09/2016 vs 30/09/2015 – 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 01/07/2016	**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**
Balance as at 01/07/2015	**6,309,209**	**3,320,315**	**(17,439)**	**173,588**	**32,129**	**9,817,802**
Total comprehensive income						
Profit for the period		16,376				**16,376**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	54					**54**
Purchase of treasury shares			(46,075)			**(46,075)**
Repurchase of convertible bonds		7,582		(11,311)		**(3,729)**
Share-based payments					2,301	**2,301**
Total transactions with owners	**54**	**7,582**	**(46,075)**	**(11,311)**	**2,301**	**(47,449)**
Balance as at 30/09/2015	**6,309,263**	**3,344,273**	**(63,514)**	**162,277**	**34,430**	**9,786,729**

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 2016, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,237,387,475 (31 December 2015: 4,247,973,707) ordinary shares.

Outstanding Options under CapitaLand Share Option Plan

	No. of Shares
As at 01/07/2016	294,532
Lapsed/Cancelled	(294,532)
As at 30/09/2016	**-**

All options under the CapitaLand Share Option Plan have lapsed on 1 September 2016.

Performance Share Plan

As at 30 September 2016, the number of shares comprised in contingent awards granted under the performance share plan (“PSP”) which has not been released was 11,035,837 (30 September 2015: 10,138,531).

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 2013 and 2014, the maximum is 175 percent and 170 percent of the baseline award, respectively. For awards granted in 2015 and 2016, 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 2016, 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 11,456,221 (30 September 2015: 9,346,884) and 9,351,752 (30 September 2015: 8,773,314) respectively, of which 2,093,658 (30 September 2015: 1,121,767) shares out of the former and 965,170 (30 September 2015: 635,138) 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 2016:

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 (30 September 2015: 541,741,484) representing a 12.8% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 September 2016.

1(d)(iii) Treasury Shares

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 3Q 2016. As at 30 September 2016, the Company held 36,996,271 treasury shares (30 September 2015: 26,345,157) which represents 0.9% (30 September 2015: 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 2015, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2016 as follows:

Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangibles*
Amendments to FRS 27 *Separate Financial Statements*
Amendments to FRS *111 Joint Arrangements*
Amendments to FRS 110 *Consolidated Financial Statements,* FRS 112 *Disclosures of Interests in Other Entities* and FRS 28 *Investments in Associates and Joint Ventures*
Improvements to FRSs (November 2014)
Amendments to FRS 1 *Presentation of Financial Statements*

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRSs.

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 2016	3Q 2015	YTD Sep 2016	YTD Sep 2015
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	5.8	4.5	17.9	19.2
	Weighted average number of ordinary shares (in million)	4,237.4	4,265.5	4,246.4	4,264.8
6(b)	EPS based on fully diluted basis (in cents)	5.5	4.4	16.9	18.1
	Weighted average number of ordinary shares (in million)	4,763.0	4,789.6	4,772.0	4,770.5

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	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
NAV per ordinary share	$4.01	$4.21	$2.45	$2.41
NTA per ordinary share	$3.90	$4.11	$2.45	$2.41

8 Review of the Group's performance

Group Overview

S$M	3Q 2016	3Q 2015	Better/ (Worse) (%)	YTD Sep 2016	YTD Sep 2015	Better/ (Worse) (%)
Revenue	1,373.7	1,076.0	27.7	3,399.5	3,022.3	12.5
Earnings before Interest and Tax ("EBIT")	494.4	459.1	7.7	1,543.7	1,715.7	(10.0)
Finance costs	(111.6)	(116.4)	4.1	(344.2)	(356.3)	3.4
Profit Before Taxation	382.8	342.7	11.7	1,199.6	1,359.5	(11.8)
Total PATMI	247.5	192.7	28.4	759.8	818.0	(7.1)
Comprising:						
Operating PATMI(1)	251.8	163.0	54.5	576.2	574.3	0.3
Portfolio gains/ (losses)	(4.3)	22.9	NM	4.5	14.1	(68.1)
Revaluation gains and impairments	-	6.8	(100.0)	179.1	229.6	(22.0)

(1) Operating PATMI for YTD September 2016 included fair value gains 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. Operating PATMI for YTD September 2015 included fair value gains from change in use of $170.6 million which relate to The Paragon Tower 5 & 6 ($110.3 million) and Raffles City Changning Tower 3 ($15.6 million) in 2Q 2015 and Ascott Heng Shan ($44.7 million) in 1Q 2015 (collectively "gain from change in use"). 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.

3Q 2016 vs 3Q 2015

For the quarter under review, the Group achieved a revenue of $1,373.7 million and a PATMI of $247.5 million.

Revenue

Group revenue increased by 27.7% to $1,373.7 million on the back of higher contributions from development projects in Singapore and China, higher rental income from commercial portfolio in Singapore as well as serviced residence business. The development projects which contributed to higher revenue this quarter include The Nassim and Cairnhill Nine in Singapore, Riverfront in Hangzhou, New Horizon in Shanghai and Vermont Hills in Beijing.

Collectively, the two core markets of Singapore and China accounted for 82.9% (3Q 2015: 78.3%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $494.4 million in 3Q 2016 (3Q 2015: $459.1 million), 7.7% higher than the corresponding quarter in the previous year. The Group's operating EBIT in 3Q 2016 grew by $81.7 million on account of higher contributions from the development projects in Singapore and China, commercial portfolio in Singapore, shopping malls in China and Malaysia as well as serviced residences acquired in 2015 and 2016. The increase was partially offset by portfolio loss arising from divestment of a mall in Japan as compared to a gain in 3Q 2015 and absence of fair value gains from the acquisitions of Element New York Times Square by Ascott Residence Trust as well as Tropicana City by CapitaLand Malaysia Mall Trust in 3Q 2015.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 80.4% of total EBIT (3Q 2015: 75.2%). Singapore EBIT was $211.6 million or 42.8% of total EBIT (3Q 2015: $188.7 million or 41.1%) while China EBIT was $185.9 million or 37.6% of total EBIT (3Q 2015: $156.7 million or 34.1%). Singapore EBIT was higher mainly due to higher contributions from the residential projects and commercial portfolio. China EBIT increased largely due to higher number of residential units handed over to home buyers this quarter as well as improved operating performance from shopping malls.

PATMI

Overall, the Group achieved a PATMI of $247.5 million in 3Q 2016, 28.4% higher than 3Q 2015. The increase was driven by better operating performance, partially offset by lower fair value gains on investment properties and portfolio losses as compared to portfolio gains in 3Q 2015.

Operating PATMI grew by 54.5% to $251.8 million on the back of higher contributions from our residential business in Singapore and China, commercial portfolio in Singapore, malls in China and Malaysia as well as newly acquired serviced residences.

YTD September 2016 vs YTD September 2015

The Group achieved a revenue of $3,399.5 million and a PATMI of $759.8 million for YTD September 2016.

Revenue

Revenue for YTD September 2016 increased by 12.5% driven mainly by our development projects in Singapore and China as well as rental income from serviced residence business and CapitaGreen. The increase was partially offset by lower gain from change in use and lower handover from development projects in Vietnam.

Singapore accounted for 41.9% (YTD September 2015: 39.2%) of the Group's revenue while China operations accounted for 38.4% (YTD September 2015: 39.8%). Together, the two core markets of Singapore and China accounted for 80.3% (YTD September 2015: 79.0%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $1,543.7 million in YTD September 2016 (YTD September 2015: $1,715.7 million). The decrease was mainly due to lower gain from change in use and absence of a gain from repurchase of convertible bonds in YTD September 2015 as well as lower fair value gains from revaluation of investment properties. The decrease was partially mitigated by portfolio gains and lower provision for foreseeable losses for projects in China in YTD September 2016.

Excluding the gain from change in use, the Group's operating EBIT improved by $154.8 million mainly driven by better operating performance from our development projects in China and CapitaGreen as well as contribution from properties acquired/opened in 2015 and 2016, namely, CapitaMall Sky+ in China, Tropicana City in Malaysia, Vivit Minami-Funabashi in Japan, Element New York Times Square and Sheraton Tribeca New York in United States of America.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $285.5 million for YTD September 2016 (YTD September 2015: $458.0 million). The fair value gains from investment properties in Singapore, China, Malaysia and Japan were lower.

The portfolio gains in YTD September 2016 were $13.0 million (YTD September 2015: $3.9 million) mainly from divestment of Somerset ZhongGuanCun in Beijing.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounted for 81.2% of total EBIT (YTD September 2015: 80.7%). Singapore EBIT was $634.3 million or 41.1% of total EBIT (YTD September 2015: $744.0 million or 43.4%) while China EBIT was $619.3 million or 40.1% of total EBIT (YTD September 2015: $640.1 million or 37.3%).

Singapore EBIT decreased mainly due to lower fair value gains from revaluation of investment properties and absence of a gain from repurchase of convertible bonds in YTD September 2015, partially mitigated by higher contribution from CapitaGreen and CapitaLand Commercial Trust (CCT). EBIT from China was lower due to lower fair value gain from revaluation of properties, partially mitigated by higher handover from residential projects and increased contribution from shopping mall business.

Finance Costs

Finance costs for YTD September 2016 were lower as compared to the corresponding period last year due to decrease in borrowings and average cost of borrowings at 3.4% (YTD September 2015: 3.5%).

PATMI

Overall, the Group achieved a PATMI of $759.8 million (YTD September 2015: $818.0 million). The decrease was mainly attributable to lower fair value gains from revaluation of properties and portfolio gains, partially mitigated by improved operating performance.

The Group recorded a higher operating PATMI for YTD September 2016 of $576.2 million (YTD September 2015: $574.3 million). Excluding the gain from change in use, operating PATMI improved by 35.2% to $545.7 million (YTD September 2015: $403.7 million), driven by higher handover from residential projects in China, and higher recurring income from CapitaGreen, shopping malls in China and serviced residence business.

Segment Performance

CL Singapore

S$M	3Q 2016	3Q 2015	Better/ (Worse) (%)	YTD Sep 2016	YTD Sep 2015	Better/ (Worse) (%)
Revenue	337.1	261.3	29.0	996.3	924.0	7.8
EBIT	148.3	118.4	25.2	401.8	420.4	(4.4)

In 3Q 2016, CL Singapore sold 206 residential units (3Q 2015: 45 units), bringing the total number of residential units sold in YTD September 2016 to 510 units (YTD September 2015: 151 units) with a sales value of $1,241 million (YTD September 2015: $412 million).

The higher revenue in 3Q 2016 was mainly attributable to The Nassim which commenced sales during the quarter and higher rental income from CapitaGreen which started contributing to revenue from 2Q 2015

The increase in revenue for YTD September 2016 was mainly due to commencement of sales and revenue recognition for Cairnhill Nine and The Nassim as well as higher rental income from CCT and CapitaGreen. The increase was partially offset by lower contribution from projects which had obtained Temporary Occupation Permit in last 2 years.

EBIT for 3Q 2016 was higher in line with higher revenue. EBIT for YTD September 2016 was 4.4% lower as the higher EBIT from commercial portfolio and cost savings upon finalisation of projects in 2016 was offset by lower net revaluation gain from investment properties and lower development profits from residential projects.

CL China

S$M	3Q 2016	3Q 2015	Better/ (Worse) (%)	YTD Sep 2016	YTD Sep 2015	Better/ (Worse) (%)
Revenue	636.3	437.3	45.5	1,094.0	983.7	11.2
EBIT	136.1	104.6	30.1	303.6	458.8	(33.8)

In 3Q 2016, CL China sold 2,903 units with a sales value of RMB 5.8 billion or approximately $1.2 billion (3Q 2015: 2,422 units; RMB 3.8 billion). For the nine months ended Sep 2016, 9,176 units were sold at a value of RMB 14.8 billion or approximately $3.0 billion (YTD September 2015: 6,492 units; RMB 11.6 billion). The sales were mainly from Dolce Vita in Guangzhou, The Metropolis in Kunshan, Century Park in Chengdu, Vermont Hills in Beijing, La Botanica in Xian, International Trade Centre in Tianjin, One iPark in Shenzhen and Riverfront in Hangzhou.

In 3Q 2016, CL China handed over 3,254 units to home buyers (3Q 2015: 1,596 units). The units handed over were mainly from completion of 8 blocks from Riverfront in Hangzhou and 3 blocks from Dolce Vita in Guangzhou, as well as sales and handover of completed units from International Trade Centre in Tianjin, La Botanica in Xian, Vermont Hills in Beijing and New Horizon in Shanghai. Including 2,430 units handed over in 1H 2016, CL China delivered a total of 5,684 units in YTD September 2016 (YTD September 2015: 3,407 units).

Revenue for 3Q 2016 and YTD September 2016 was higher than previous corresponding periods, mainly due to higher handover of residential units. Revenue in YTD September 2015 included fair value gains recognised from the change in use of development properties to investment properties in respect of The Paragon (Tower 5 and 6) in 2Q 2015 and Ascott Heng Shan in 1Q 2015.

EBIT for 3Q 2016 was higher in line with higher handover of residential units. YTD September 2016 EBIT was lower mainly due to lower gains recognised from change in use of The Paragon (Tower 5 and 6), Ascott Heng Shan and Raffles City Changning. Excluding the gains on change in use, EBIT for CL China improved by 15.1% on the back of higher contribution from residential projects, foreign exchange gain on revaluation of RMB payables as SGD has appreciated against RMB and lower provision for impairment losses.

CMA

S$M	3Q 2016	3Q 2015	Better/ (Worse) (%)	YTD Sep 2016	YTD Sep 2015	Better/ (Worse) (%)
Revenue	151.3	155.1	(2.4)	447.2	504.4	(11.3)
EBIT	140.6	140.4	0.1	532.6	566.3	(5.9)

The lower revenue for 3Q 2016 and YTD September 2016 was largely due to the absence of revenue recognition from Bedok Residences and the loss of contribution from Bedok Mall which was divested to CapitaLand Mall Trust in 4Q 2015. This was partially buffered by new contribution from CapitaMall Sky+ in China which opened in December 2015 as well as malls acquired in 3Q 2015, namely Tropicana City in Malaysia and Vivit Minami-Funabashi in Japan.

Despite weaker revenue, EBIT for 3Q 2016 was marginally higher than 3Q 2015 due to better performance from the portfolio of malls in China, partially offset by portfolio loss arising from the divestment of a mall in Japan. YTD September 2016 EBIT was lower due to lower revaluation gains from investment properties and foreign exchange losses, partially mitigated by improved performance from portfolio of malls in China.

Ascott

S$M	3Q 2016	3Q 2015	Better/ (Worse) (%)	YTD Sep 2016	YTD Sep 2015	Better/ (Worse) (%)
Revenue	233.8	196.3	19.1	820.9	546.1	50.3
EBIT	64.9	82.9	(21.6)	310.4	227.3	36.6

In 3Q 2016, Ascott opened 8 properties in China, Japan, Korea and Southeast Asia and secured a management contract in Vietnam.

Since September 2016, Ascott has further secured management contracts to manage 7 new serviced residences in Vietnam, India and Saudi Arabia, including its first serviced residence in Makkah.

Revenue for 3Q 2016 and YTD Sep 2016 were higher mainly due to Ascott's proportionate share of revenue from Cairnhill Nine project in Singapore which Ascott owns a 50% stake as well as contribution from properties acquired in 2015 and 2016.

EBIT for 3Q 2016 was lower mainly due to lower fair value gain from investment properties and portfolio gains. EBIT for YTD Sep 2016 was higher mainly due to fair value gain from arising from the divestment of Somerset ZhongGuanCun as well as contribution from properties acquired in 2015 and 2016.

Corporate and Others

S$M	3Q 2016	3Q 2015	Better/ (Worse) (%)	YTD Sep 2016	YTD Sep 2015	Better/ (Worse) (%)
Revenue	15.1	26.0	(41.8)	41.1	64.1	(35.9)
EBIT	4.5	12.8	(64.7)	(4.7)	43.0	NM

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

In 3Q 2016, CapitaLand Vietnam sold 186 residential units (3Q 2015: 483 units) with a sales value of $34.4 million (3Q 2015: $70.9 million). For the nine months ended 30 September 2016, 656 residential units (YTD September 2015: 873 units) were sold with a sales value of $113.9 million (YTD September 2015: $138.5 million). The sales were mainly from Seasons Avenue, Kris Vue and Vista Verde.

In 3Q 2016, CapitaLand Vietnam handed over 37 residential units to home buyers (3Q 2015: 80 units). Including the 61 units handed over in 1H 2016, CL Vietnam delivered a total of 98 residential units (YTD Sep 2015: 196 units) to home buyers in YTD September 2016. The units handed over were from The Vista and Mulberry Lane.

The lower revenue in 3Q 2016 and YTD September 2016 was attributable to lower number of units being handed over to buyers for projects in Vietnam.

EBIT for 3Q 2016 was lower due to lower handover from development projects in Vietnam. YTD September 2016 EBIT was lower due to lower revenue, absence of a gain from repurchase of convertible bonds as well as share of fair value loss from an associate.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the second quarter 2016 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 property cooling measures to continue to weigh on the residential market.

The market outlook for office occupancy and rental remain muted. To mitigate leasing risks, CCT continues to finalise renewals of leases due in 2017, while it proactively attracts and retains tenants. As at 30 September 2016, CCT's portfolio occupancy rate of 97.4% remains higher than market occupancy rate.

Our Singapore portfolio of malls is expected to continue to provide stable recurring income as they are well-supported by their connections to the public transportation networks and locations in either large population catchments or within popular shopping and tourist destinations. At the same time, the Group will continue to enhance the existing portfolio through selective asset enhancement initiatives.

China

The Chinese government remains committed to rebalance its economy by increasing domestic consumption and growth in the non-manufacturing sector.

However, the Group expects the recent cooling measures implemented by the Chinese government to have some impact on residential sales going forward. Nevertheless, the impact is unlikely to be significant as the Group targets mainly first-time buyers and up-graders.

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

For the shopping malls in China, the Group will continue to focus its efforts on the opening of several malls currently under development in China in 2017 as well as improve the performance of its existing malls. The Group will also be on the look-out for suitable opportunities, including management contracts, to further expand our market presence in key China cities.

Serviced Residence

CapitaLand continues to grow Ascott's global platform with well-diversified presence around the world. As part of the strategy to scale up its international network in key gateway cities, Ascott will focus on growing its fee-based income through securing more management contracts and establishing strategic partnerships.

Other Geographical Platforms

The Group remains focused in Singapore and China as core markets, while it continues to expand in markets such as Vietnam and 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 2016 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 2016 vs 3Q 2015

	Revenue			Earnings before interest & tax		
	3Q 2016 S$'000	3Q 2015 S$'000	Better/ (Worse) (%)	3Q 2016 S$'000	3Q 2015 S$'000	Better/ (Worse) (%)
CapitaLand Singapore [(1)]	337,109	261,302	29.0	148,283	118,390	25.2
CapitaLand China	636,312	437,297	45.5	136,108	104,627	30.1
CapitaLand Mall Asia	151,326	155,117	(2.4)	140,561	140,360	0.1
Ascott	233,817	196,251	19.1	64,927	82,859	(21.6)
Corporate and Others [(2)]	15,136	26,004	(41.8)	4,528	12,843	(64.7)
Total	**1,373,700**	**1,075,971**	**27.7**	**494,407**	**459,079**	**7.7**

16(a)(ii) By Strategic Business Units (SBUs) – YTD September 2016 vs YTD September 2015

	Revenue			Earnings before interest & tax		
	YTD Sep 2016 S$'000	YTD Sep 2015 S$'000	Better/ (Worse) (%)	YTD Sep 2016 S$'000	YTD Sep 2015 S$'000	Better/ (Worse) (%)
CapitaLand Singapore [(1)]	996,333	923,977	7.8	401,848	420,378	(4.4)
CapitaLand China	1,094,003	983,742	11.2	303,566	458,760	(33.8)
CapitaLand Mall Asia	447,209	504,435	(11.3)	532,625	566,288	(5.9)
Ascott	820,932	546,074	50.3	310,435	227,283	36.6
Corporate and Others [(2)]	41,050	64,054	(35.9)	(4,731)	43,004	NM
Total	**3,399,527**	**3,022,282**	**12.5**	**1,543,743**	**1,715,713**	**(10.0)**

Note : [(1)] *Includes residential business in Malaysia.*
[(2)] *Includes Storhub and other businesses in Vietnam, Indonesia, Japan and GCC.*

16(b)(i) By Geographical Location – 3Q 2016 vs 3Q 2015

	Revenue			Earnings before interest & tax		
	3Q 2016 S$'000	3Q 2015 S$'000	Better/ (Worse) (%)	3Q 2016 S$'000	3Q 2015 S$'000	Better/ (Worse) (%)
Singapore	431,470	333,136	29.5	211,619	188,654	12.2
China [(1)]	707,688	509,769	38.8	185,903	156,735	18.6
Other Asia [(2)]	121,861	128,319	(5.0)	64,950	68,912	(5.7)
Europe & Others[(3)]	112,681	104,747	7.6	31,935	44,778	(28.7)
Total	**1,373,700**	**1,075,971**	**27.7**	**494,407**	**459,079**	**7.7**

Note: [(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 2016 vs YTD September 2015

	Revenue			Earnings before interest & tax		
	YTD Sep 2016 S$'000	YTD Sep 2015 S$'000	Better/ (Worse) (%)	YTD Sep 2016 S$'000	YTD Sep 2015 S$'000	Better/ (Worse) (%)
Singapore	1,424,931	1,183,497	20.4	634,305	744,014	(14.7)
China [(1)]	1,304,870	1,201,820	8.6	619,311	640,074	(3.2)
Other Asia [(2)]	356,811	360,995	(1.2)	178,448	211,213	(15.5)
Europe & Others[(3)]	312,915	275,970	13.4	111,679	120,412	(7.3)
Total	**3,399,527**	**3,022,282**	**12.5**	**1,543,743**	**1,715,713**	**(10.0)**

Note: [(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.

20 Subsequent Event

On 25 October 2016, CapitaLand announced the successful establishment of its third integrated development private investment vehicle in China – Raffles City China Investment Partners III (RCCIP III). The partnership has fully closed at US$1.5 billion (about S$2.0 billion). RCCIPIII, with a life of eight years, will invest in prime integrated developments in gateway cities in China. CapitaLand will subscribe for a 41.7% sponsor stake in RCCIP III while the remaining interests will be held by major investors from Asia, North America, and the Middle East, including new and existing investors.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
9 November 2016