CAPITALAND LIMITED

(Registration Number: 198900036N)

2017 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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1(a)(i) Income Statement

		Group					
	Note	4Q 2017 S$'000	4Q 2016 S$'000	Better/ (Worse) %	FY 2017 S$'000	FY 2016 S$'000	Better/ (Worse) %
Revenue	A	**1,212,601**	**1,852,807**	**(34.6)**	**4,609,776**	**5,252,334**	**(12.2)**
Cost of sales	B	(591,858)	(1,261,284)	53.1	(2,771,692)	(3,654,454)	24.2
Gross profit		620,743	591,523	4.9	1,838,084	1,597,880	15.0
Other operating income	C	60,116	171,710	(65.0)	850,668	489,031	73.9
Administrative expenses	D	(142,382)	(110,181)	(29.2)	(422,998)	(394,367)	(7.3)
Other operating expenses	E	(59,881)	(32,364)	(85.0)	(31,872)	(40,808)	21.9
Profit from operations		478,596	620,688	(22.9)	2,233,882	1,651,736	35.2
Finance costs		(149,312)	(108,468)	(37.7)	(486,669)	(452,621)	(7.5)
Share of results (net of tax) of:	F						
- associates		158,491	121,634	30.3	552,624	437,458	26.3
- joint ventures		73,496	73,459	0.1	323,989	270,330	19.8
		231,987	195,093	18.9	876,613	707,788	23.9
Profit before taxation		561,271	707,313	(20.6)	2,623,826	1,906,903	37.6
Taxation	G	(82,418)	(207,830)	60.3	(297,810)	(402,634)	26.0
Profit for the period/ year		478,853	499,483	(4.1)	2,326,016	1,504,269	54.6
Attributable to:							
Owners of the Company ("PATMI")		**267,731**	**430,525**	**(37.8)**	**1,550,750**	**1,190,341**	**30.3**
Non-controlling interests ("NCI")		211,122	68,958	(206.2)	775,266	313,928	(147.0)
Profit for the period/ year		478,853	499,483	(4.1)	2,326,016	1,504,269	54.6

1(a)(ii) Explanatory Notes to Income Statement – 4Q 2017 vs 4Q 2016

(A) Revenue

The decrease in revenue for 4Q 2017 was mainly due to lower completion and handover from development projects in China, partially mitigated by higher contributions from development projects in Singapore, shopping mall and serviced residence businesses, as well as contributions from CapitaLand Mall Trust (CMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (RCST) which were consolidated with effect from August 2017 (see item 4 and 8 for details).

(B) Cost of Sales

In line with lower revenue, the cost of sales also decreased but at a higher 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, there was higher writeback of provision for foreseeable losses for development projects in Singapore and China amounting to $31.9 million (4Q 2016: $13.5 million) in 4Q 2017 upon sale of units and price recovery.

(C) Other Operating Income

		Group		
		4Q 2017 S$'000	4Q 2016 S$'000	Better/ (Worse) (%)
Other Operating Income		**60,116**	**171,710**	**(65.0)**
Investment income	(i)	1,212	3,274	(63.0)
Interest income	(ii)	22,938	18,408	24.6
Other income (including portfolio gains)	(iii)	35,966	57,724	(37.7)
Fair value gains of investment properties	(iv)	-	74,039	(100.0)
Foreign exchange gain	(v)	-	18,265	(100.0)

(i) Investment income was lower in 4Q 2017 mainly due to lower distribution received from MRCB-Quill REIT.

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

(iii) Other income in 4Q 2017 was lower mainly due to lower portfolio gain recognised during the quarter. The portfolio gains in 4Q 2016 arose mainly from the divestment of shares in Keisha Limited.

(iv) The Group recorded a net fair value loss of $36.1 million in respect of its investment properties held through subsidiaries presented under Other Operating Expenses in 4Q 2017 (see note (E)).

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

(v) Foreign exchange gain of $18.3 million in 4Q 2016 arose mainly from revaluation of USD receivables partially offset by foreign exchange loss arising from revaluation of RMB payables. In 4Q 2017, the Group recorded a net foreign exchange loss of $1.6 million which was presented under Other Operating Expenses.

(D) Administrative Expenses

	Group		
	4Q 2017 S$'000	4Q 2016 S$'000	Better/ (Worse) (%)
Administrative Expenses	**(142,382)**	**(110,181)**	**(29.2)**
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(23,180)	(18,300)	(26.7)
Allowance for doubtful receivables and bad debts written off	(3,196)	(268)	NM

NM: Not meaningful

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were higher this quarter due to higher staff costs and professional fees, higher depreciation expense from newly acquired serviced residences, as well as consolidation of CMT, CRCT and RCST from 3Q 2017.

(E) Other Operating Expenses

The increase in other operating expenses in 4Q 2017 was mainly due to a net fair value loss of $36.1 million in respect of the Group's portfolio of investment properties held through subsidiaries (4Q 2016: fair value gain of $74.0 million), partially mitigated by absence of impairment losses recognised in 4Q 2016 for an investment in Singapore and a property in United Kingdom. Fair value losses in 4Q 2017 arose mainly from the revaluation of properties in India and Singapore, partially mitigated by fair value gains from properties in Malaysia and Japan.

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

The increase in share of results from associates in 4Q 2017 was attributed by higher revaluation gains from investment properties in China, mainly the Raffles City portfolio, partially offset by share of losses from divestment of six malls in India and absence of share of results from CMT and CRCT due to the consolidation of both REITs with effect from 3Q 2017.

The share of results from joint ventures increased marginally in 4Q 2017 due to higher revaluation gains registered by malls in Singapore, offset by lower handover of residential units in China, as well as absence of share of results from RCST as it 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 decrease in tax expense during the quarter was mainly due to lower taxable income from China and higher write back of tax provision in relation to past divestments. Included in 4Q 2017 tax expense was a tax writeback of $16.1 million in respect of prior years (4Q 2016 : tax provision of $4.7 million in respect of prior years).

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

The net losses from the sale of investments in 4Q 2017 of $0.5 million (comprising portfolio gains of $13.2 million (4Q 2016: portfolio gains of $23.1 million) and realised revaluation losses of $13.7 million (4Q 2016: realised revaluation losses of $1.3 million)) are as follow:

4Q 2017	**PATMI (S$M)**
Six malls in India	(29.4)
Writeback of tax and other provisions relating to past divestments	23.3
Others	5.6
Total	**(0.5)**
4Q 2016	
Shares in Keisha Limited	19.5
Write back of tax provisions relating to past divestments	6.4
Others	(4.1)
Total	**21.8**

1(a)(iii) Statement of Comprehensive Income

	Group					
	4Q 2017 S$'000	**4Q 2016 S$'000**	**Change %**	**FY 2017 S$'000**	**FY 2016 S$'000**	**Change %**
Profit for the period / year	478,853	499,483	(4.1)	2,326,016	1,504,269	54.6
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)]	(103,409)	269,078	NM	(418,999)	(580,432)	(27.8)
Change in fair value of available-for-sale investments	448	5,641	(92.1)	3,456	22,665	(84.8)
Effective portion of change in fair value of cash flow hedges [(2)]	(29,042)	48,826	NM	(93,218)	(11,374)	719.6
Share of other comprehensive income of associates and joint ventures [(3)]	16,931	(79,608)	NM	99,309	(574,476)	NM
Total other comprehensive income, net of tax	(115,072)	243,937	NM	(409,452)	(1,143,617)	(64.2)
Total comprehensive income	363,781	743,420	(51.1)	1,916,564	360,652	431.4
Attributable to:						
Owners of the Company	**178,378**	**660,523**	**(73.0)**	**1,195,426**	**194,671**	**514.1**
Non-controlling interests	185,403	82,897	123.7	721,138	165,981	334.5
Total comprehensive income	363,781	743,420	(51.1)	1,916,564	360,652	431.4

Notes:

1. *4Q 2017 exchange differences arose mainly from the appreciation of SGD against RMB and USD by 0.93% during the quarter.*

   FY 2017's exchange differences arose mainly from the appreciation of SGD against RMB and USD by 1.42% and 5.88% respectively.

2. *The effective portion of change in fair value of cash flow hedges for 4Q 2017 and FY 2017 arose mainly from the mark-to-market losses of the Group's interest rate swaps and cross currency swaps contracts which were entered into for hedging purposes.*

3. *The share of other comprehensive income of associates and joint ventures relates mainly to share of foreign currency translation reserve. 4Q 2017's share of exchange difference arose mainly from the realisation of foreign currency translation reserve upon divestment of investments, partially offset by appreciation of SGD against RMB by 0.93% during the quarter.*

   FY 2017's share of exchange difference arose mainly from the depreciation of USD against RMB by 4.22% and realisation of foreign currency translation reserve upon divestment of investments, partially offset by appreciation of SGD against RMB by 1.42%.

1(b)(i) Balance Sheet

	Group			Company		
	31/12/2017 S$'000	**31/12/2016 S$'000**	**Change %**	**31/12/2017 S$'000**	**31/12/2016 S$'000**	**Change %**
Non-current assets						
Property, plant & equipment	840,021	781,431	7.5	19,044	29,146	(34.7)
Intangible assets [(1),(2)]	563,295	441,835	27.5	20,315	147	*NM*
Investment properties[(1),(3)]	36,479,434	18,998,389	92.0	-	-	-
Subsidiaries	-	-	-	12,208,267	12,246,583	(0.3)
Associates & joint ventures [(1)]	10,197,184	12,617,257	(19.2)	-	-	-
Other non-current assets	1,138,851	1,136,604	0.2	423	397	6.5
	49,218,785	**33,975,516**	**44.9**	**12,248,049**	**12,276,273**	**(0.2)**
Current assets						
Development properties for sale and stocks [(4)]	*4,073,708*	*4,837,081*	*(15.8)*	-	-	-
Trade & other receivables [(1),(5)]	*1,470,573*	*1,858,809*	*(20.9)*	*1,974,786*	*1,113,211*	*77.4*
Other current assets [(1)]	*34,499*	*2,134*	*NM*	-	-	-
Assets held for sale [(6)]	*542,786*	*274,602*	*97.7*	-	-	-
Cash & cash equivalents [(1),(7)]	*6,105,318*	*4,792,629*	*27.4*	*7,247*	*7,791*	*(7.0)*
	12,226,884	**11,765,255**	**3.9**	**1,982,033**	**1,121,002**	**76.8**
Less: Current liabilities						
Trade & other payables [(1),(8)]	*5,441,800*	*4,685,037*	*16.2*	*886,418*	*127,793*	*593.6*
Short-term borrowings [(1),(9)]	*2,738,995*	*2,373,428*	*15.4*	*793,796*	*683,312*	*16.2*
Current tax payable	*527,162*	*650,669*	*(19.0)*	*2,599*	*2,602*	*(0.1)*
Liabilities held for sale [(6)]	*94,625*	*19,263*	*391.2*	-	-	-
	8,802,582	**7,728,397**	**13.9**	**1,682,813**	**813,707**	**106.8**
Net current assets	**3,424,302**	**4,036,858**	**(15.2)**	**299,220**	**307,295**	**(2.6)**
Less: Non-current liabilities						
Long-term borrowings[(1),(9)]	18,955,934	12,478,948	51.9	1,841,863	2,045,746	(10.0)
Other non-current liabilities [(1)]	1,604,080	1,232,951	30.1	8,315	13,964	(40.5)
	20,560,014	**13,711,899**	**49.9**	**1,850,178**	**2,059,710**	**(10.2)**
Net assets	**32,083,073**	**24,300,475**	**32.0**	**10,697,091**	**10,523,858**	**1.6**
Representing:						
Share capital	6,309,496	6,309,496	-	6,309,496	6,309,496	-
Revenue reserves	12,148,192	11,029,084	10.1	4,310,421	4,159,919	3.6
Other reserves[(10)]	(75,314)	266,265	*NM*	77,174	54,443	41.8
Equity attributable to owners of the Company	18,382,374	17,604,845	4.4	10,697,091	10,523,858	1.6
Non-controlling interests[(1)]	13,700,699	6,695,630	104.6	-	-	-
Total equity	**32,083,073**	**24,300,475**	**32.0**	**10,697,091**	**10,523,858**	**1.6**

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 and other receivables, other current assets, cash and cash equivalents, trade and other payables, borrowings and other non-current liabilities as well as non-controlling interests, and decreased the associates and joint ventures.*

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

3. *The increase was partly due to the acquisitions of a portfolio of four properties in Japan, an office building each in Singapore, China and Germany, as well as fair value gains for the year.*

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 two serviced residences and a portfolio of four retail malls in China 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 partly 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 a portfolio of four retail malls in China to assets held for sale following the announcement of the divestments on 3 July 2017 and 5 January 2018 respectively. The assets and liabilities of these properties were accordingly reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 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 31 December 2017 included $2.6 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 partly 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 increase in short-term borrowings and long-term borrowings was partly due to additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction, partially offset by settlement in accordance with the repayment terms.*

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 year.*

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

	Group	
	As at 31/12/2017 S$'000	**As at 31/12/2016 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	424,731	382,640
Unsecured	2,314,264	1,990,788
Sub-Total 1	**2,738,995**	**2,373,428**
Amount repayable after one year:-		
Secured	5,349,919	4,539,781
Unsecured	13,606,015	7,939,167
Sub-Total 2	**18,955,934**	**12,478,948**
Total Debt	**21,694,929**	**14,852,376**
Cash	**6,105,318**	**4,792,629**
Total Debt less Cash	**15,589,611**	**10,059,747**

As at 31 December 2017, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately $2.9 billion.

Details of any collateral

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

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1(c) Consolidated Statement of Cash Flows

	4Q 2017 S$'000	4Q 2016 S$'000	FY 2017 $'000	FY 2016 $'000
Cash Flows from Operating Activities				
Profit after taxation	**478,853**	**499,483**	**2,326,016**	**1,504,269**
Adjustments for :				
Amortisation of intangible assets	4,793	961	7,022	2,959
Allowance/(Write back) for:				
- Foreseeable losses	(31,876)	(13,450)	(27,676)	4,939
- Doubtful receivables	5,157	1,817	7,835	1,432
- Impairment loss on financial assets	-	407	-	7,298
- Impairment on investment in associate and joint ventures	(1,790)	4,833	(53)	4,833
- Impairment on property, plant and equipment	-	5,076	-	5,076
- Impairment of intangible asset	3,226	13,751	3,226	13,751
Gain from bargain purchase	-	(23)	(26,941)	(23)
Share-based expenses	17,810	18,327	55,333	46,800
Net change in fair value of financial instruments	861	496	(121)	(2,577)
Depreciation of property, plant and equipment	18,776	17,542	69,270	65,983
Gain/ (loss) on disposal and write-off of property, plant and equipment	(23)	2,116	137	759
Loss/ (gain) on disposal of investment properties	2	(131)	(95,842)	3,879
Net fair value (gain)/ loss from assets held for sale	(1,500)	3,000	(74,855)	3,146
Net fair value loss/ (gain) from investment properties	37,626	(77,039)	(214,038)	(290,707)
Gain on disposal/liquidation/dilution of equity investments and other financial assets	(21,039)	(47,687)	(325,466)	(62,167)
Share of results of associates and joint ventures	(231,987)	(195,093)	(876,613)	(707,788)
Interest expense	149,312	108,468	486,669	452,621
Interest income	(22,938)	(18,408)	(62,047)	(51,780)
Taxation	82,418	207,830	297,810	402,634
	8,828	**32,793**	**(776,350)**	**(98,932)**
Operating profit before working capital changes	**487,681**	**532,276**	**1,549,666**	**1,405,337**
Changes in working capital				
Trade and other receivables	88,875	173,715	(121,996)	(126,764)
Development properties for sale	74,430	950,702	767,484	1,802,030
Trade and other payables	281,139	(232,438)	325,120	570,016
Restricted bank deposits	2,879	(31)	(9,802)	4,440
	447,323	**891,948**	**960,806**	**2,249,722**
Cash generated from operations	**935,004**	**1,424,224**	**2,510,472**	**3,655,059**
Income tax paid	(45,450)	(33,950)	(344,139)	(349,843)
Net cash generated from Operating Activities	**889,554**	**1,390,274**	**2,166,333**	**3,305,216**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	6,638	364	6,893	791
Purchase of property, plant and equipment	(30,532)	(13,160)	(149,276)	(75,941)
Advances from/ Repayment of loans by/ (to) associates and joint ventures	186,708	91,685	(224,516)	426,972
Repayment from investee companies and other receivables	-	-	-	22,194
Deposits placed for investments	(126,716)	35,533	(231,671)	(383,897)
Deposit received for disposal of subsidiaries	3,962	-	104,909	-
Acquisition/ Development expenditure of investment properties	(1,115,321)	(128,518)	(2,077,767)	(717,587)
Proceeds from disposal of investment properties	99,167	-	1,417,542	79,261
Proceed from disposal/ (Investment in) other financial assets	4,907	(428)	(3,807)	1,443
Proceeds from disposal of assets held for sale	688	15,677	401,408	74,512
Dividends received from associates, joint ventures and other investments	30,087	91,063	262,326	392,664
Acquisition of subsidiaries, net of cash acquired	(2,470,216)	(159,758)	(2,233,387)	(182,353)
Disposal of subsidiaries, net of cash disposed of	40,086	47,371	898,995	171,152
Settlement of hedging instruments	13,580	(6,197)	8,368	10,254
Interest income received	21,680	20,569	49,931	109,158
Net cash used in Investing Activities	**(3,335,282)**	**(5,799)**	**(1,770,052)**	**(71,377)**

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

	4Q 2017 S$'000	4Q 2016 S$'000	FY 2017 $'000	FY 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	581,845	6,168	844,007	106,356
Repayment of shareholder loans from non-controlling interests	(10,200)	(162,895)	(15,344)	(207,310)
Payment for acquisition of ownership interests in subsidiaries with no change in control	-	(192,463)	(5,758)	(235,057)
Proceeds from bank borrowings	2,895,633	1,122,337	6,360,718	3,851,186
Repayments of bank borrowings	(1,204,983)	(1,027,230)	(4,187,849)	(4,573,967)
Proceeds from issue of debt securities	599,779	4,764	599,779	302,214
Repayments of debt securities	(86)	(388,392)	(1,064,586)	(388,392)
Repayments of finance lease payables	(825)	(746)	(3,165)	(2,954)
Dividends paid to non-controlling interests	(165,713)	(46,954)	(597,563)	(368,721)
Dividends paid to shareholders	-	-	(424,714)	(383,034)
Interest expense paid	(191,226)	(147,043)	(525,088)	(506,126)
Bank deposits withdrawn for bank facility	811	2,175	(1,134)	663
Net cash generated/ (used in) Financing Activities	**2,505,035**	**(830,279)**	**979,303**	**(2,461,876)**
Net increase in cash and cash equivalents	**59,307**	**554,196**	**1,375,584**	**771,963**
Cash and cash equivalents at beginning of the period/ year	6,067,694	4,225,966	4,777,752	4,153,301
Effect of exchange rate changes on cash balances held in foreign currencies	(20,327)	16,468	(46,662)	(128,634)
Cash and cash equivalents reclassified to asset held for sale	(27,169)	(18,878)	(27,169)	(18,878)
Cash and cash equivalents at end of the period/ year	**6,079,505**	**4,777,752**	**6,079,505**	**4,777,752**
Restricted cash deposits	25,813	14,877	25,813	14,877
Cash and cash equivalents in the Balance Sheet	**6,105,318**	**4,792,629**	**6,105,318**	**4,792,629**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $6,105.3 million as at 31 December 2017 included $229.0 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

Cash flows analysis
4Q 2017 vs 4Q 2016

In 4Q 2017, the Group generated a net cash from operating activities of $889.6 million as compared to $1,390.3 million for the corresponding quarter last year. The decrease was mainly due to lower collections from development projects in China.

Net cash used in investing activities for the quarter was $3,335.3 million. This comprised mainly acquisition of Asia Square Tower 2 and development expenditure for Golden Shoe Carpark redevelopment.

Net cash generated from financing activities for 4Q 2017 was $2,505.0 million. This was mainly attributable to net proceeds from bank borrowings and debt securities as well as rights issue by CCT for the acquisition of Asia Square Tower 2, partially offset by dividends paid to non-controlling interests and interest expense paid.

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

For the period ended 31/12/2017 vs 31/12/2016 – 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 01/01/2017	**6,309,496**	**11,029,084**	**266,265**	**17,604,845**	**6,695,630**	**24,300,475**
Total comprehensive income						
Profit for the year		1,550,750		**1,550,750**	775,266	**2,326,016**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(398,845)	**(398,845)**	(20,154)	**(418,999)**
Change in fair value of available-for-sale investments			1,594	**1,594**	1,862	**3,456**
Effective portion of change in fair value of cash flow hedges			(55,904)	**(55,904)**	(37,314)	**(93,218)**
Share of other comprehensive income of associates and joint ventures			97,831	**97,831**	1,478	**99,309**
Total other comprehensive income, net of income tax	-	-	(355,324)	**(355,324)**	(54,128)	**(409,452)**
Total comprehensive income	**-**	**1,550,750**	**(355,324)**	**1,195,426**	**721,138**	**1,916,564**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of treasury shares			453	**453**	-	**453**
Contributions from non-controlling interests (net)				**-**	1,021,625	**1,021,625**
Conversion of convertible bonds			(2,278)	**(2,278)**	(5,071)	**(7,349)**
Redemption of convertible bonds		7,493	(7,493)	**-**	-	**-**
Dividends paid/payable		(424,714)	-	**(424,714)**	(578,387)	**(1,003,101)**
Distribution attributable to perpetual securities issued by a subsidiary		(8,513)	-	**(8,513)**	(10,687)	**(19,200)**
Reclassification of equity compensation reserve		10,660	(10,660)	**-**	-	**-**
Share-based payments			44,042	**44,042**	892	**44,934**
Total contributions by and distributions to owners	-	(415,074)	24,064	**(391,010)**	428,372	**37,362**
Changes in ownership interests in subsidiaries and ther capital transactions						
Changes in ownership interests in subsidiaries with change in control		1,374	(1,374)	**-**	5,831,696 #	**5,831,696**
Changes in ownership interests in subsidiaries with no change in control		(23,066)	(863)	**(23,929)**	23,897	**(32)**
Share of reserves of associates and joint ventures		(8,440)	7,041	**(1,399)**	-	**(1,399)**
Others		13,564	(15,123)	**(1,559)**	(34)	**(1,593)**
Total changes in ownership interests in subsidiaries and other capital transactions	-	(16,568)	(10,319)	**(26,887)**	5,855,559	**5,828,672**
Total transactions with owners	**-**	**(431,642)**	**13,745**	**(417,897)**	**6,283,931**	**5,866,034**
Balance as at 31/12/2017	**6,309,496**	**12,148,192**	**(75,314)**	**18,382,374**	**13,700,699**	**32,083,073**

** 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 31/12/2017 vs 31/12/2016 – 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 01/01/2016	**6,309,289**	**10,305,191**	**1,290,826**	**17,905,306**	**7,032,356**	**24,937,662**
Total comprehensive income						
Profit for the year		1,190,341		**1,190,341**	313,928	**1,504,269**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(423,695)	**(423,695)**	(156,737)	**(580,432)**
Change in fair value of available-for-sale investments			14,432	**14,432**	8,233	**22,665**
Effective portion of change in fair value of cash flow hedges			(15,378)	**(15,378)**	4,004	**(11,374)**
Share of other comprehensive income of associates and joint ventures			(571,029)	**(571,029)**	(3,447)	**(574,476)**
Total other comprehensive income, net of income tax	-	-	(995,670)	**(995,670)**	(147,947)	**(1,143,617)**
Total comprehensive income	**-**	**1,190,341**	**(995,670)**	**194,671**	**165,981**	**360,652**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	207			**207**	-	**207**
Purchase of treasury shares			(56,839)	**(56,839)**	-	**(56,839)**
Issue of treasury shares			552	**552**	-	**552**
Contributions from non-controlling interests (net)				**-**	112,635	**112,635**
Redemption of convertible bonds		17,924	(17,924)	**-**	-	**-**
Dividends paid/payable		(383,034)		**(383,034)**	(351,021)	**(734,055)**
Distribution attributable to perpetual securities issued by a subsidiary		(8,454)		**(8,454)**	(10,800)	**(19,254)**
Reclassification of equity compensation reserve		50,535	(50,535)	**-**	-	**-**
Share-based payments			41,311	**41,311**	689	**42,000**
Total contributions by and distributions to owners	207	(323,029)	(83,435)	**(406,257)**	(248,497)	**(654,754)**
Changes in ownership interests in subsidiaries and other capital transactions						
Changes in ownership interests in subsidiaries with change in control				**-**	(97,323)	**(97,323)**
Changes in ownership interests in subsidiaries with no change in control		(106,256)	14,815	**(91,441)**	(155,703)	**(247,144)**
Share of reserves of associates and joint ventures		(14,479)	15,490	**1,011**	-	**1,011**
Others		(22,684)	24,239	**1,555**	(1,184)	**371**
Total changes in ownership interests in subsidiaries and other capital transactions	-	(143,419)	54,544	**(88,875)**	(254,210)	**(343,085)**
Total transactions with owners	**207**	**(466,448)**	**(28,891)**	**(495,132)**	**(502,707)**	**(997,839)**
Balance as at 31/12/2016	**6,309,496**	**11,029,084**	**266,265**	**17,604,845**	**6,695,630**	**24,300,475**

** 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 31/12/2017 vs 31/12/2016 – Company

	Share Capital S$'000	Revenue Reserves S$'000	Reserve for Own Shares S$'000	Capital Reserve S$'000	Equity Comp Reserves S$'000	**Total Equity S$'000**
Balance as at 01/01/2017	**6,309,496**	**4,159,919**	**(107,220)**	**144,353**	**17,310**	**10,523,858**
Total comprehensive income						
Profit for the year		562,771				**562,771**
Transactions with equity holders, recorded directly in equity						
Contributions by and distributions to owners						
Issue of treasury shares			28,706		(6,467)	**22,239**
Dividends paid		(424,714)				**(424,714)**
Redemption of convertible bonds		8,638		(8,638)		**-**
Share-based payments					12,937	**12,937**
Reclassification of equity compensation reserve		3,807			(3,807)	**-**
Total transactions with owners	**-**	**(412,269)**	**28,706**	**(8,638)**	**2,663**	**(389,538)**
Balance as at 31/12/2017	**6,309,496**	**4,310,421**	**(78,514)**	**135,715**	**19,973**	**10,697,091**
Balance as at 01/01/2016	**6,309,289**	**3,817,479**	**(72,720)**	**162,277**	**37,372**	**10,253,697**
Total comprehensive income						
Profit for the year	-	678,207	-	-	-	**678,207**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	207					**207**
Purchase of treasury shares			(56,839)			**(56,839)**
Issue of treasury shares			22,339		(2,933)	**19,406**
Dividends paid		(383,034)				**(383,034)**
Redemption of convertible bonds		17,924		(17,924)		**-**
Share-based payments					12,214	**12,214**
Reclassification of equity compensation reserve		29,343			(29,343)	**-**
Total transactions with owners	**207**	**(335,767)**	**(34,500)**	**(17,924)**	**(20,062)**	**(408,046)**
Balance as at 31/12/2016	**6,309,496**	**4,159,919**	**(107,220)**	**144,353**	**17,310**	**10,523,858**

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

Issued Share Capital

As at 31 December 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. Movements in the Company's issued and fully paid-up capital were as follows:

	No. of Shares
As at 01/01/2017	4,237,387,475
Treasury shares transferred pursuant to employee share plans and payment of directors' fees	9,904,883
As at 31/12/2017	**4,247,292,358**

CapitaLand Share Plans

Performance Share Plan

As at 31 December 2017, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 10,593,441 (31 December 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 31 December 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 10,718,463 (31 December 2016: 11,316,771) and 11,713,324 (31 December 2016: 9,227,541) respectively, of which 2,438,435 (31 December 2016: 2,030,156) shares out of the former and 1,817,476 (31 December 2016: 928,509) 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 31 December 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 (31 December 2016: 511,084,247) representing a 11.8% increase over the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2017.

1(d)(iii) Treasury Shares

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

	No of Shares
As at 01/01/2017	36,996,271
Treasury shares transferred pursuant to employee share plans and payment of directors' fees	(9,904,883)
As at 31/12/2017	**27,091,388**

As at 31 December 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.

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

Consolidation of CMT, CRCT and RCST

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 had 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)
Balance sheet as at 31 December 2017	
Total Assets	11,841,288
Total Liabilities	5,935,440
Total Equity	**5,905,848**
Income statement for the year ended 31 December 2017	
Revenue	425,559
EBIT	278,201
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			
		4Q 2017	**4Q 2016**	**FY 2017**	**FY 2016**
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	6.3	10.2	36.5	28.0
	Weighted average number of ordinary shares (in million)	4,247.3	4,237.4	4,245.6	4,244.1
6(b)	EPS based on fully diluted basis (in cents)	6.0	9.4	34.0	26.3
	Weighted average number of ordinary shares (in million)	4,743.8	4,748.5	4,742.1	4,766.9

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

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Net asset value per share	$4.33	$4.15	$2.52	$2.48
Net tangible assets per share	$4.20	$4.05	$2.52	$2.48

8 Review of the Group's performance

Group Overview

S$M	4Q 2017	4Q 2016	Better/ (Worse) (%)	FY 2017	FY 2016	Better/ (Worse) (%)
Revenue	1,212.6	1,852.8	(34.6)	4,609.8	5,252.3	(12.2)
Earnings before Interest and Tax ("EBIT")	710.6	815.8	(12.9)	3,110.5	2,359.5	31.8
Finance costs	(149.3)	(108.5)	(37.7)	(486.7)	(452.6)	(7.5)
Profit Before Taxation	561.3	707.3	(20.6)	2,623.8	1,906.9	37.6
Total PATMI	267.7	430.5	(37.8)	1,550.7	1,190.3	30.3
Comprising:						
Operating PATMI[1]	159.4	289.1	(44.9)	908.3	865.3	5.0
Portfolio gains[2]	13.2	23.1	(42.9)	208.3	27.7	652.0
Revaluation gains and impairments	95.1	118.3	(19.6)	434.1	297.3	46.0

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

Operating PATMI for FY 2017 included a gain of $160.9 million from the sale of 45 units of The Nassim in 1Q 2017. Operating PATMI for FY 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.

4Q 2017 vs 4Q 2016

For the quarter under review, the Group achieved a revenue of $1,212.6 million and a PATMI of $267.7 million.

Revenue

Group revenue for 4Q 2017 decreased by 34.6% to $1,212.6 million mainly due to lower completion and handover of units from development projects in China, partially mitigated by higher contributions from development projects in Singapore, rental revenue from newly acquired/opened properties, as well as the consolidation of revenue from CMT, CRCT and RCST with effect from 3Q 2017.

Collectively, the two core markets of Singapore and China accounted for 74.5% (4Q 2016: 87.2%) of the Group's revenue.

EBIT

The Group recorded an EBIT of $710.6 million in 4Q 2017 (4Q 2016: $815.8 million), 12.9% lower than the corresponding quarter mainly due to lower handover and absence of reversal of costs accruals on finalisation of a project from China, as well as lower portfolio and fair value gains. The decrease was partially mitigated by a net writeback of provision for foreseeable losses in 4Q 2017 and higher rental income arising from the consolidation of CMT, CRCT and RCST.

At EBIT level, the portfolio gains in 4Q 2017 of $6.5 million was lower than $47.8 million in 4Q 2016, which arose mainly from the divestment of shares in Keisha Limited.

In terms of revaluation of investment properties, the Group recorded a net fair value gains of $82.8 million (4Q 2016 : $147.1 million) in 4Q 2017, of which fair value loss of $36.1 million (4Q 2016: gain of $74.0 million) was recorded by subsidiary projects and was recognised in the other operating expenses while a gain of $118.9 million (4Q 2016 : $73.1 million) was recorded through share of results of associates and joint ventures.

The Group has assessed and written back provision for foreseeable losses in respect of development projects in Singapore, China and Vietnam amounting to $37.2 million (4Q 2016: provision of $4.9 million) in 4Q 2017 upon sale of units and price recovery.

<u>EBIT Contribution by Geography</u>

Singapore and China markets remain the key contributors to EBIT, accounting for 93.8% of total EBIT (4Q 2016: 87.7%). Singapore EBIT was $285.5 million or 40.2% of total EBIT (4Q 2016: $182.1 million or 22.3%) while China EBIT was $380.7 million or 53.6% of total EBIT (4Q 2016: $533.6 million or 65.4%).

Singapore EBIT in 4Q 2017 increased by $103.4 million mainly due to the consolidation of CMT and RCST and writeback of provision for foreseeable losses, partially offset by lower fair value gains recognised during the quarter.

China EBIT in 4Q 2017 decreased by $152.9 million mainly attributed to lower handover of units for development projects and lower portfolio gains, partially mitigated by better operating performance from shopping mall business, consolidation of CRCT and higher fair value gains.

<u>PATMI</u>

Overall, the Group achieved a PATMI of $267.7 million in 4Q 2017, 37.8% lower than the corresponding quarter mainly due to lower handover of units for development projects in China, lower portfolio and fair value gains, partially mitigated by a net writeback of provision for foreseeable losses during the quarter.

Operating PATMI for 4Q 2017 decreased by 44.9% to $159.4 million, mainly due to lower handover of units for development projects in China, partially mitigated by contributions from newly acquired and opened shopping malls and serviced residence properties.

FY 2017 vs FY 2016

The Group achieved a revenue of $4,609.8 million and a PATMI of $1,550.7 million in FY 2017.

<u>Revenue</u>

Revenue for FY 2017 decreased by 12.2% mainly due to lower completion and handover of units from development projects in China, partially mitigated by rental contribution from newly acquired and opened properties, as well as the consolidation of revenue from CMT, CRCT and RCST. The major handover in FY 2017 for development projects in China include Summit Era in Ningbo, One iPark in Shenzhen, Century Park West in Chengdu, The Beaufort in Beijing and International Trade Centre in Tianjin.

Singapore accounted for 38.8% (FY 2016: 32.2%) of the Group’s revenue while China operations accounted for 38.5% (FY 2016: 50.6%). Together, the two core markets of Singapore and China accounted for 77.3% (FY 2016: 82.8%) of the Group’s revenue.

<u>EBIT</u>

The Group achieved an EBIT of $3,110.5 million for FY 2017 (FY 2016: $2,359.5 million), 31.8% higher than FY 2016. The increase in FY 2017 was mainly attributable to the gain from the sale of The Nassim, higher contributions of rental income from newly acquired/opened properties, consolidation of CMT, CRCT and RCST, higher revaluation and portfolio gains, as well as higher writeback of provision for foreseeable losses. The increase was partially offset by lower contributions from development projects in China and Vietnam, as well as absence of fair value gain from change in use of Raffles City Changning Tower 2 recognised in FY 2016.

At EBIT level, the portfolio gains in FY 2017 of $284.7 million (FY 2016: $60.8 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.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $668.2 million in FY 2017 (FY 2016: $432.6 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 India and Japan.

The Group has assessed and made a net writeback of provision for impairment of $21.4 million in FY 2017, mainly related to foreseeable losses in respect of development projects in China and Vietnam upon sale of units and price recovery. In FY 2016, the Group made a net provision of $40.6 million mainly in respect of development projects in Singapore.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 87.8% of total EBIT (FY 2016: 83.5%). Singapore EBIT was $1,429.3 million or 46.0% of total EBIT (FY 2016: $816.4 million or 34.6%) while China EBIT was $1,300.7 million or 41.8% of total EBIT (FY 2016: $1,152.9 million or 48.9%).

Singapore EBIT was higher on account of the gain from sale of The Nassim, consolidation of CMT and RCST, higher revaluation and portfolio gains, as well as writeback of provision for foreseeable losses on development projects.

China EBIT decreased mainly due to lower handover from development projects, partially mitigated by higher contributions from shopping malls and consolidation of CRCT, higher revaluation and portfolio gains, as well as higher writeback of provision for foreseeable losses during the year.

Finance Costs

Finance costs for FY 2017 were higher compared to the corresponding period last year mainly due to consolidation of the three trusts with effect from August 2017. The Group's average cost of borrowings for the whole year is lower at 3.2% (FY 2016: 3.3%).

PATMI

Overall, the Group achieved a PATMI of $1,550.7 million in FY 2017, 30.3% higher than FY 2016 of $1,190.3 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 FY 2017 increased by $43.0 million or 5.0% mainly attributable to higher contributions from our development projects in Singapore, shopping mall and serviced residence businesses, offset by lower contributions from development projects in China and Vietnam.

Segment Performance

CL Singapore

S$M	4Q 2017	4Q 2016	Better/ (Worse) (%)	FY 2017	FY 2016	Better/ (Worse) (%)
Revenue	295.3	195.4	51.2	1,190.5	1,191.7	(0.1)
EBIT	101.0	120.0	(15.9)	907.1	521.9	73.8

The higher revenue in 4Q 2017 was mainly due to higher sales from Victoria Park Villas, consolidation of RCST and contribution from newly acquired Asia Square Tower 2, partially 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 FY 2017 was lower compared to last year mainly due to higher sales from Sky Vue, Cairnhill Nine and The Nassim last year, as well as loss of rental revenue from several commercial properties as mentioned above. This was partially mitigated by higher revenue recognition for Victoria Park Villas and The Interlace as well as consolidation of RCST and contribution from Asia Square Tower 2.

EBIT for 4Q 2017 was lower mainly due to lower revaluation gain, partially mitigated by a net writeback of provision for foreseeable losses for projects.

EBIT for FY 2017 was higher mainly due to recognition of gains from the sale of The Nassim, One George Street and Wilkie Edge, higher revaluation gains and lower provision for foreseeable losses for projects.

In 4Q 2017, CL Singapore sold 114 residential units (4Q 2016: 61 units), bringing the total number of residential units sold in FY 2017 to 407 units (FY 2016: 571 units) with a sales value of $1,479 million (FY 2016: $1,415 million).

CL China

S$M	4Q 2017	4Q 2016	Better/ (Worse) (%)	FY 2017	FY 2016	Better/ (Worse) (%)
Revenue	224.8	1,281.7	(82.5)	1,356.2	2,375.7	(42.9)
EBIT	183.2	432.1	(57.6)	764.6	735.7	3.9

Revenue for CL China is recognised on completion basis upon handover of units to home buyers. In 4Q 2017, CL China handed over 2,064 units to home buyers (4Q 2016: 6,507 units). The units handed over during the quarter were mainly from La Botanica in Xian. Including 3,909 units handed over in YTD September 2017, CL China delivered a total of 5,973 units with a value of RMB 11.6 billion in FY 2017 (FY 2016: 12,191 units with a value of RMB 16.0 billion).

Revenue for 4Q 2017 and FY 2017 was lower than the previous corresponding periods, mainly due to fewer units being completed and handed over.

EBIT for 4Q 2017 was lower than the same quarter last year mainly due to lower handover of units and lower portfolio gains. EBIT in 4Q 2016 also included a reversal of cost accruals upon a project’s finalisation.

FY 2017 EBIT was however higher than last year on account of higher portfolio and revaluation gains. The increase was partially offset by lower handover of units and lower reversal of cost accruals upon project’s finalisation.

In 4Q 2017, CL China sold 1,264 units with a sales value of RMB 2.6 billion or approximately $0.5 billion (4Q 2016: 1,562 units; RMB 3.3 billion). For FY 2017, 8,497 units were sold at a value of RMB 15.4 billion or approximately $3.1 billion (FY 2016: 10,738 units; RMB 18.1 billion). The lower sales was primarily due to fewer units available for sale, with over 10,000 available units in FY 2017, as compared to over 12,000 available units last year. The sales were mainly from La Botanica in Xian, The Metropolis in Kunshan, Citta Di Mare in Guangzhou, Raffles City Residences in Chongqing, Vermont Hills in Beijing, New Horizon in Shanghai, Summit Era in Ningbo, and Sky Habitat, the SOHO units of Raffles City Hangzhou.

In December 2017, the Group entered into an agreement to acquire a site next to Innov Center that was acquired in June 2017, making this a second investment in Shanghai's office market in six months. This acquisition will boost the Group's presence in Wujiaochang, one of Shanghai's most vibrant decentralised business districts, with plans to develop the new site into a Grade A office which is expected to be completed in 2020.

CMA

S$M	4Q 2017	4Q 2016	Better/ (Worse) (%)	FY 2017	FY 2016	Better/ (Worse) (%)
Revenue	409.3	140.5	191.3	1,033.7	587.7	75.9
EBIT	419.8	219.3	91.5	1,091.6	751.9	45.2

The higher revenue for 4Q 2017 and FY 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 and malls in China as well as higher fee income from China.

EBIT for 4Q 2017 and FY 2017 were higher than the corresponding periods largely due to consolidation of CMT, CRCT and RCST, higher fee income as well as higher fair value gains from revaluation of investment properties. This increase was partly offset by portfolio loss arising from the divestment of malls in India.

In 2017, CMA expanded its network of malls in key city clusters through two acquisitions in China and Japan, six new malls opening in China and Malaysia and five management contracts secured in China and Singapore. A record of 1.2 million square metres of retail gross floor area expanded across the four countries during the year. This expansion increases our recurring income base and affirms the 'core city clusters, dominant assets' strategy of maximizing return on investments.

Ascott

S$M	4Q 2017	4Q 2016	Better/ (Worse) (%)	FY 2017	FY 2016	Better/ (Worse) (%)
Revenue	273.5	210.9	29.7	1,000.2	1,031.9	(3.1)
EBIT	26.3	61.7	(57.4)	379.8	372.2	2.0

Revenue for 4Q 2017 was higher mainly due to contribution from newly acquired properties and investments.

Revenue for FY 2017 was lower mainly due to lower contribution from the Cairnhill Nine project in Singapore, which Ascott owns a 50% stake. This is partially mitigated by contributions from newly acquired properties and investments.

EBIT for 4Q 2017 was lower mainly due to revaluation losses recognised from properties, absence of revaluation gain recognised upon the completion of Ascott Orchard Singapore in 4Q 2016, as well as a foreign exchange loss vis-à-vis a foreign exchange gain in 4Q 2016. The decrease is partially mitigated by contribution from newly acquired properties.

Despite the absence of the revaluation gain recognised upon completion of Ascott Orchard Singapore in 4Q 2016, EBIT for FY 2017 was higher mainly due to share of higher gains arising from divestments and contributions from newly acquired properties, partially offset by revaluation losses recognised from properties.

FY 2017 was Ascott's strongest year with about 24,000 units added to its global portfolio through investments, management contracts and franchise agreements. As of 31 Dec 2017, Ascott manages a portfolio of close to 72,000 units, of which about 43,000 are operational and 29,000 are under development.

Corporate and Others

S$M	4Q 2017	4Q 2016	Better/ (Worse) (%)	FY 2017	FY 2016	Better/ (Worse) (%)
Revenue	9.6	24.3	(60.7)	29.2	65.3	(55.2)
EBIT	(19.7)	(17.4)	(13.3)	(32.5)	(22.1)	(47.1)

For FY 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.

Revenue for CL Vietnam is recognised on completion basis upon handover of units to home buyers. In FY 2017, CL Vietnam handed over 1,404 residential units (FY 2016: 173 units) and 534 units in 4Q 2017 (4Q 2016: 75 units) to home buyers. The units handed over were mainly from joint venture projects, namely Vista Verde and The Krista.

Revenue for 4Q 2017 and FY 2017 was lower due to lower handover of units from subsidiary projects in Vietnam.

EBIT for 4Q and FY 2017 were lower mainly due to lower contribution from CL Vietnam and higher corporate expenses, partially mitigated by absence of fair value loss on investment properties and impairment for an investment in Singapore in 4Q 2016.

In 4Q 2017, CL Vietnam sold 212 residential units (4Q 2016: 824 units) bringing the total number of residential units sold in FY 2017 to 1,409 residential units (FY 2016: 1,480 units) with a sales value of $459.6 million (FY 2016: $282.1 million). The sales were mainly from Seasons Avenue, Feliz en Vista, Mulberry Lane and D'Edge.

9 Variance from Prospect Statement

The 4Q 2017 operating performance was broadly in line with the prospect statement made when the third quarter 2017 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 residential property market sentiment to remain positive, underpinned by increased transaction volumes and a recovery in home prices. Most of CapitaLand's residential projects are substantially sold. The Group will continue to adopt a disciplined approach and source for well-located sites to build its residential pipeline.

Office occupancy rates for the Central Business District rose by 1.3% to 93.8% as at 31 December 2017. A sustained pick-up in the average monthly Grade A office rent at S$9.40 per square, a 3.3% increase quarter-on-quarter, support the view that the office market recovery is well underway. As at 31 December 2017, CCT's portfolio including Asia Square Tower 2, with an occupancy rate of 97.3%, remains higher than the average 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, mainly on the Tier 1 and Tier 2 cities, to tighten regulations on home purchasing and mortgage restrictions are expected to cool the property market further in 2018 and restrict growth in home prices. As at 31 December 2017, over 8,000 yet to be completed units have been sold with a value of RMB 14.7 billion, of which about 70% of the value is expected to be handed over and recognised in 2018. The Group also projects to have over 6,000 launch-ready units in 2018 and remains cautiously optimistic on the China property market.

For the integrated developments in China, Raffles City Chongqing remains on-track to complete progressively from the second half of 2018 onwards.

On 5th January 2018, the Group announced a reconstitution of our China shopping malls business by divesting 20 assets, which sharpened the retail portfolio's concentration to 49 malls in 22 cities from 69 malls in 36 cities. The Group continues to enhance its scale and network through selective acquisitions and new management contracts, which will focus on dominant malls in core city clusters.

Serviced Residence

Ascott's diversified global platform is expected to surpass its 2020 target of 80,000 units by 2018 and is now focused on further scaling up to 160,000 units worldwide in the next five years, through securing more management contracts, franchises, investments as well as establishing strategic partnerships. Through this expansion of Ascott's global 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. The Group also continues to look for opportunities across all asset classes in the rest of the world, especially in key gateway cities where we already have a presence.

11 Dividend

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

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

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

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

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

Not applicable.

13 Interested Person Transactions

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

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

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

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

Not applicable.

On behalf of the Board

Ng Kee Choe
Chairman

Lim Ming Yan
Director

16 Segmental Revenue and Results

16(a)(i) By Strategic Business Units (SBUs) – 4Q 2017 vs 4Q 2016

	Revenue			Earnings before interest & tax		
	4Q 2017 S$'000	4Q 2016 S$'000	Better/ (Worse) (%)	4Q 2017 S$'000	4Q 2016 S$'000	Better/ (Worse) (%)
CapitaLand Singapore [(1)]	295,349	195,401	51.2	100,962	120,021	(15.9)
CapitaLand China	224,818	1,281,669	(82.5)	183,167	432,134	(57.6)
CapitaLand Mall Asia	409,343	140,534	191.3	419,843	219,256	91.5
Ascott	273,540	210,919	29.7	26,294	61,741	(57.4)
Corporate and Others [(2)]	9,551	24,284	(60.7)	(19,683)	(17,371)	(13.3)
Total	**1,212,601**	**1,852,807**	**(34.6)**	**710,583**	**815,781**	**(12.9)**

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

	Revenue			Earnings before interest & tax		
	FY 2017 S$'000	FY 2016 S$'000	Better/ (Worse) (%)	FY 2017 S$'000	FY 2016 S$'000	Better/ (Worse) (%)
CapitaLand Singapore [(1)]	1,190,459	1,191,734	(0.1)	907,050	521,869	73.8
CapitaLand China	1,356,177	2,375,672	(42.9)	764,593	735,700	3.9
CapitaLand Mall Asia	1,033,706	587,743	75.9	1,091,615	751,881	45.2
Ascott	1,000,195	1,031,851	(3.1)	379,760	372,176	2.0
Corporate and Others [(2)]	29,239	65,334	(55.2)	(32,523)	(22,102)	(47.1)
Total	**4,609,776**	**5,252,334**	**(12.2)**	**3,110,495**	**2,359,524**	**31.8**

Notes: [(1)] *Includes residential business in Malaysia and Indonesia.*
[(2)] *Includes business in Vietnam for 2017. Others for 4Q and FY 2016 included StorHub and other businesses in Vietnam, Indonesia, Japan and GCC.*

16(b)(i) By Geographical Location – 4Q 2017 vs 4Q 2016

	Revenue			Earnings before interest & tax		
	4Q 2017 S$'000	4Q 2016 S$'000	Better/ (Worse) (%)	4Q 2017 S$'000	4Q 2016 S$'000	Better/ (Worse) (%)
Singapore	528,171	264,774	99.5	285,542	182,093	56.8
China [1]	375,011	1,350,652	(72.2)	380,666	533,583	(28.7)
Other Asia [2]	132,771	130,750	1.5	27,090	106,955	(74.7)
Europe & Others[3]	176,648	106,631	65.7	17,285	(6,850)	NM
Total	**1,212,601**	**1,852,807**	**(34.6)**	**710,583**	**815,781**	**(12.9)**

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

	Revenue			Earnings before interest & tax		
	FY 2017 S$'000	FY 2016 S$'000	Better/ (Worse) (%)	FY 2017 S$'000	FY 2016 S$'000	Better/ (Worse) (%)
Singapore	1,786,808	1,689,705	5.7	1,429,278	816,398	75.1
China [1]	1,774,120	2,655,523	(33.2)	1,300,744	1,152,894	12.8
Other Asia [2]	499,451	487,562	2.4	233,796	285,402	(18.1)
Europe & Others[3]	549,397	419,544	31.0	146,677	104,830	39.9
Total	**4,609,776**	**5,252,334**	**(12.2)**	**3,110,495**	**2,359,524**	**31.8**

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

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

	2017 S$'000	2016 S$'000	Better/ (Worse) %
(a) Revenue			
- first half	1,889,942	2,025,827	(6.7)
- second half	2,719,834	3,226,507	(15.7)
Full year revenue	**4,609,776**	**5,252,334**	**(12.2)**
(b) Profit after tax before deducting minority interests ("PAT")			
- first half	1,269,880	683,176	85.9
- second half	1,056,136	821,093	28.6
Full year PAT	**2,326,016**	**1,504,269**	**54.6**

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

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

The directors are pleased to propose a tax-exempt ordinary dividend of 12 cents per share for the financial year ended 31 December 2017, subject to shareholders' approval.

	Current financial year ended 31/12/2017		
Name of Dividend	**Ordinary**	**Special**	**Total**
Type of Dividend	Cash	-	Cash
Dividend Per share	12.0 cents	-	12.0 cents
Annual Dividend (S$'000)	509,675	-	509,675

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2017. The actual dividend payment can only be determined on books closure date.

	Previous financial year ended 31/12/2016		
Name of Dividend	**Ordinary**	**Special**	**Total**
Type of Dividend	Cash	-	Cash
Dividend Per share	10.0 cents	-	10.0 cents
Annual Dividend (S$'000)	424,714	-	424,714

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

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

21 Subsequent Event

On 5 January 2018, the Group announced that it has, through its subsidiaries and associates, entered into definitive agreements with unrelated entities to divest its effective equity interest in certain companies, which in total hold 20 retail malls in China for an aggregate consideration of US$881.1 million (approximately S$1,185.9 million). Targeted for completion in 2Q 2018, the transaction is expected to generate net proceeds of about $666.0 million and a net gain of about $75.0 million.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
13 February 2018

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