



CAPITALAND LIMITED

(Registration Number : 198900036N)

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

TABLE OF CONTENTS

Item No.	Description	Page No.
1 (a)(i)	Income Statement	2
1 (a)(ii)	Explanatory Notes to Income Statement	3 – 5
1 (a)(iii)	Statement of Comprehensive Income	6
1 (b)(i)	Balance Sheet	7 – 8
1 (b)(ii)	Group's Borrowings	8
1 (c)	Consolidated Statement of Cash Flows	9 – 10
1 (d)(i)	Statement of Changes in Equity	11 – 13
1 (d)(ii)	Changes in Company's Issued Share Capital	14 – 15
1 (d)(iii)	Treasury Shares	15
2 & 3	Audit Statement	15
4 & 5	Accounting Policies	15 – 17
6	Earnings per Share	18
7	Net Assets Value and Net Tangible Assets per Share	18
8 & 16	Review of Performance	19 – 23
9	Variance from Prospect Statement	23
10	Outlook & Prospect	24 – 25
11, 12 & 18	Dividend	26 & 29
13	Interested Person Transactions	26
14	Confirmation Pursuant to Rule 705(5) of the Listing Manual	26
15	Segmental Information	27 – 28
17	Breakdown of the Group's revenue and profit after tax for first half year and second half year	29
19	Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer	30



CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(i) Income Statement

	Note	Group					
		4Q 2014 S\$'000	4Q 2013 S\$'000 (Restated)	Change %	FY 2014 S\$'000	FY 2013 S\$'000 (Restated)	Change %
Continuing operations							
Revenue	A	1,517,808	907,901	67.2	3,924,598	3,511,033	11.8
Cost of sales		(1,079,642)	(590,103)	83.0	(2,542,557)	(2,273,946)	11.8
Gross profit		438,166	317,798	37.9	1,382,041	1,237,087	11.7
Other operating income	B	296,187	288,282	2.7	598,139	676,206	(11.5)
Administrative expenses	C	(120,166)	(115,756)	3.8	(411,983)	(407,209)	1.2
Other operating expenses	D	(77,828)	(98,816)	(21.2)	(101,192)	(150,136)	(32.6)
Profit from continuing operations		536,359	391,508	37.0	1,467,005	1,355,948	8.2
Finance costs		(114,478)	(115,801)	(1.1)	(439,473)	(481,677)	(8.8)
Share of results (net of tax) of:	E						
- associates		195,110	200,124	(2.5)	626,828	585,932	7.0
- joint ventures		135,790	95,431	42.3	343,107	316,680	8.3
		330,900	295,555	12.0	969,935	902,612	7.5
Profit before taxation from continuing operations		752,781	571,262	31.8	1,997,467	1,776,883	12.4
Taxation	F	(104,077)	(88,942)	17.0	(266,908)	(205,138)	30.1
Profit for the period/year from continuing operations		648,704	482,320	34.5	1,730,559	1,571,745	10.1
Discontinued operation							
(Loss)/Profit from discontinued operation, net of tax	G	(6,225)	(119,164)	(94.8)	29,134	33,778	(13.7)
Profit for the period/year		642,479	363,156	76.9	1,759,693	1,605,523	9.6
Attributable to:							
Owners of the Company ("PATMI")							
- from continuing operations		415,588	255,811	62.5	1,131,714	874,569	29.4
- from discontinued operation		(6,225)	(113,168)	(94.5)	29,134	(34,327)	NM
Total PATMI		409,363	142,643	187.0	1,160,848	840,242	38.2
Non-controlling interests ("NCI")		233,116	220,513	5.7	598,845	765,281	(21.7)
Profit for the period/year		642,479	363,156	76.9	1,759,693	1,605,523	9.6

Note:

4Q 2013 and YTD December 2013 results have been restated to take into account:

1. The retrospective adjustments relating to FRS 110 *Consolidated Financial Statements* (please refer to item 4).
2. The re-presentation of Australand's results under "discontinued operation" in accordance with FRS 105 *Non-current Assets Held for sale and Discontinued Operation* (please refer to item 1(a)(ii)(G)).

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(ii) Explanatory Notes to Income Statement – 4Q 2014 vs 4Q 2013 (Restated)

The Group adopted FRS 110 Consolidated Financial Statements (FRS 110) on 1 January 2014 and this requires the Group to consolidate CapitaCommercial Trust, Ascott Residence Trust and CapitaMalls Malaysia Trust. The comparative figures for 4Q 2013 have been restated on similar basis for comparison. (Please see item 4 for details).

(A) Revenue

The increase was mainly attributable to the revenue recognition of \$579.4 million from the sale of all the office strata units in Westgate Tower which obtained temporary occupation permit on 9 October 2014. In addition, the Group also recorded higher revenue from our development projects in Singapore as well as our shopping mall and serviced residence businesses. The contribution from the Group's development projects in China was lower this quarter as fewer units were handed over to buyers. (Please see item 8 for details).

Total cost of sales increased in line with higher revenue. However, the rate of increase was higher as a result of provision for foreseeable losses of about \$91.8 million (4Q 13: \$25.4 million) mainly in respect of the residential projects in Singapore as the market conditions remain challenging with private residential demand and pricing expected to further moderate in 2015.

(B) Other Operating Income

	Group		
	4Q 2014 S\$'000	4Q 2013 S\$'000 (Restated)	Change (%)
Other Operating Income	296,187	288,282	2.7
Investment income	(i) 517	2,669	(80.6)
Interest income	16,932	17,690	(4.3)
Other income (including portfolio gains)	(ii) 24,628	28,101	(12.4)
Fair value gains of investment properties	(iii) 254,110	239,822	6.0

- (i) Investment income decreased mainly due to lower distribution income received from an investee company in Japan and redemption of a money market investment during the year.
- (ii) Other income decreased mainly due to the absence of portfolio gain this quarter. Other income in 4Q 2014 included a gain of \$12.8 million which arose from the acquisition of an additional 80% interest in CapitaLand (Beijing) Kai Heng Holdings Pte. Ltd. ("CBKH") from CapitaLand China Development Fund Pte Ltd. CBKH owns a 100% economic interest in Beaufort, a residential development site located in Chaoyang District, Beijing.
- (iii) The net fair value gains in 4Q 2014 in respect of properties held through subsidiaries were higher due to higher gains registered for the properties in Singapore and absence of fair value losses from India properties. The increase was partially offset by lower revaluation gains for properties in Europe, China and Other Asia.

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

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(ii) Explanatory Notes to Income Statement – 4Q 2014 vs 4Q 2013 (Restated)

(C) Administrative Expenses

	Group		
	4Q 2014 S\$'000	4Q 2013 S\$'000 (Restated)	Change (%)
Administrative Expenses	(120,166)	(115,756)	3.8
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(19,372)	(16,733)	15.8
Allowance doubtful receivables and bad debts written off	(449)	(2,445)	(81.6)

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were higher this quarter mainly due to higher depreciation and operating lease expenses.

(D) Other Operating Expenses

Other operating expenses of \$78.4 million in 4Q 2014 arose mainly from the impairment of our 40% interest in Surbana International Consultants Holdings Pte Ltd ("Surbana") (\$60.1 million); foreign exchange loss (\$9.1 million) and portfolio losses (\$3.4 million). As compared to 4Q 2013, other operating expenses decreased mainly due to the absence of losses amounting to \$11.5 million incurred on repurchase of convertible bonds. The foreign exchange loss in 4Q 2014 of \$9.1 million (4Q 2013: \$14.3 million) arose mainly from the revaluation of USD and RMB payables as the Singapore dollar has weakened against both currencies.

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

The slight decrease in share of results from associates in 4Q 2014 was attributable to lower handover from our development projects held by associates in China, partially mitigated by higher revaluation gains and higher contribution from d'Leedon in Singapore, which obtained temporary occupation permit in November 2014 .

Share of results from joint ventures increased mainly due to the better operating performance from our joint ventures in China, namely Dolce Vita, Minhang and Hongkou Plaza; as well as higher fair value gains from the revaluation of investment properties held by joint ventures.

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

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

Tax expenses were higher this quarter due to higher taxable income. Included in 4Q 2014's tax expenses was a write back of taxes provided in prior years of \$18.0 million (4Q 2013: \$13.9 million).

(G) Profit from discontinued operation

On 24 March 2014, the Group completed the sale of its remaining 39.1% stake in Australand through a secondary placement of its stapled securities and Australand has ceased to be an associated company of the Group ("discontinued operation"). Accordingly, Australand's results for 4Q 2013 was re-presented as profit after taxation from discontinued operation.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

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

4Q 2014

High Tech City, India
 Ito-Yokado Eniwa and Narashino Shopping Centre, Japan
 CBKH (accounted for in share of associate's results)
 Others (mainly tax provision for past divestment)

Total Group's share of loss after tax & NCI for 4Q 2014

PATMI (\$M)

(2.7)

(4.8)

(5.7)

(7.3)

(20.5)

4Q 2013 (Restated)

20% stake in Australand (accounted for in discontinued operation)
 Technopark@Chai Chee
 Others

Total Group's share of loss after tax & NCI for 4Q 2013

(120.8)

(12.6)

5.6

(127.8)

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(a)(iii) Statement of Comprehensive Income

	Group					
	4Q 2014	4Q 2013	Change	FY 2014	FY 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(Restated)			(Restated)		
Profit for the period / year	642,479	363,156	76.9	1,759,693	1,605,523	9.6
Other comprehensive income:						
<u>Items that are/may be reclassified subsequently to profit or loss</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations ⁽¹⁾	395,066	73,654	436.4	359,665	241,373	49.0
Change in fair value of available-for-sale investments	3,133	(1,630)	NM	719	(469)	NM
Effective portion of change in fair value of cash flow hedges	27,381	46,743	(41.4)	45,072	90,200	(50.0)
Share of other comprehensive income of associates and joint ventures	104,107	20,554	406.5	91,925	198,305	(53.6)
Total other comprehensive income, net of tax	529,687	139,321	280.2	497,381	529,409	(6.0)
Total comprehensive income	1,172,166	502,477	133.3	2,257,074	2,134,932	5.7
Attributable to:						
Owners of the Company	925,686	236,360	291.6	1,642,138	1,351,069	21.5
Non-controlling interests	246,480	266,117	(7.4)	614,936	783,863	(21.6)
Total comprehensive income	1,172,166	502,477	133.3	2,257,074	2,134,932	5.7

NM: Not meaningful

⁽¹⁾ 4Q 2014's exchange differences arose mainly from the depreciation of SGD against the RMB and USD by 4.3% and 3.8% respectively. For FY 2014, the exchange differences arose mainly from the depreciation of SGD against both the RMB and USD by 3.4%.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(b)(i) Balance Sheet

	Group			Company		
	31/12/2014 S\$'000	31/12/2013 S\$'000 (Restated) ⁽¹⁾	Change %	31/12/2014 S\$'000	31/12/2013 S\$'000	Change %
Non-current assets						
Property, plant & equipment ⁽²⁾	1,047,356	666,406	57.2	17,646	12,316	43.3
Intangible assets	462,970	467,049	(0.9)	147	147	-
Investment properties ⁽³⁾	17,149,198	15,495,934	10.7	-	-	-
Subsidiaries	-	-	-	12,806,301	12,739,628	0.5
Associates & joint ventures ⁽⁴⁾	12,780,860	12,673,226	0.8	-	-	-
Other non-current assets ⁽⁵⁾	1,092,899	620,454	76.1	1,370	1,495	(8.4)
	32,533,283	29,923,069	8.7	12,825,464	12,753,586	0.6
Current assets						
Development properties for sale and stocks ⁽⁶⁾	7,673,651	7,382,388	3.9	-	-	-
Trade & other receivables	963,445	1,167,361	(17.5)	341,427	1,100,375	(69.0) ⁽⁷⁾
Cash & cash equivalents ⁽⁸⁾	2,749,397	6,306,325	(56.4)	10,753	330,439	(96.7)
Other current assets ⁽⁹⁾	2,309	196,923	(98.8)	-	-	-
Assets held for sale ⁽¹⁰⁾	191,403	87,033	119.9	-	-	-
	11,580,205	15,140,030	(23.5)	352,180	1,430,814	(75.4)
Less: Current liabilities						
Trade & other payables	3,069,874	2,889,369	6.2	53,945	1,360,493	(96.0) ⁽⁷⁾
Short-term borrowings ⁽¹¹⁾	3,469,159	1,279,884	171.1	7,669	-	NM
Current tax payable	463,012	478,212	(3.2)	8,459	8,064	4.9
	7,002,045	4,647,465	50.7	70,073	1,368,557	(94.9)
Net current assets	4,578,160	10,492,565	(56.4)	282,107	62,257	353.1
Less: Non-current liabilities						
Long-term borrowings ⁽¹¹⁾	12,516,659	14,656,279	(14.6)	3,226,447	3,190,458	1.1
Other non-current liabilities	1,386,253	1,304,572	6.3	30,288	41,468	(27.0)
	13,902,912	15,960,851	(12.9)	3,256,735	3,231,926	0.8
Net assets	23,208,531	24,454,783	(5.1)	9,850,836	9,583,917	2.8
Representing:						
Share capital	6,304,146	6,302,207	-	6,304,146	6,302,207	-
Revenue reserves	9,616,503	9,459,989	1.7	3,250,086	2,992,741	8.6
Other reserves	837,353	346,673	141.5	296,604	288,969	2.6
Equity attributable to owners of the Company	16,758,002	16,108,869	4.0	9,850,836	9,583,917	2.8
Non-controlling interests ⁽¹²⁾	6,450,529	8,345,914	(22.7)	-	-	-
Total equity	23,208,531	24,454,783	(5.1)	9,850,836	9,583,917	2.8

Notes:

1. The Group's comparative balance sheet as at 31 December 2013 had been restated to take into account the retrospective adjustments relating to FRS 110 (please refer to item 4).
2. The increase was mainly due to the acquisition of a serviced residence in Hong Kong and reclassification of owner-occupied portion of Capital Tower from investment properties.
3. The increase was mainly due to fair value gains, acquisition of serviced residences in China, Japan, Australia and Europe, ongoing development expenditure for properties under construction mainly in China and Singapore, partially offset by the reclassification of owner-occupied portion of Capital Tower to property, plant and equipment.
4. The increase was mainly due to share of results during the year, equity injection into associates and joint ventures as well as a quasi loan extended to an associate in China, partly offset by the divestment of our 39.1% stake in Australand and reclassification of the Group's investment in Surbana to assets held for sale.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

5. The increase was mainly due to a deposit paid for the acquisition of a retail site in Guangzhou.
6. The increase was mainly due to the acquisition of two residential sites in Chengdu and a site in Ningbo.
7. The decrease in trade and other receivables as well as trade and other payables arose from the settlement of inter-company loans.
8. The decrease was mainly due to the payment for 2013 dividend and voluntary cash offer for CMA. The cash balances as at 31 December 2014 included \$0.85 billion held at CapitaLand Limited and its treasury vehicles (comprising CapitaLand Treasury Limited, CapitaMalls Asia Treasury Limited and The Ascott Capital Pte Ltd).
9. The decrease was due to the redemption of a money market investment.
10. The increase was mainly attributable to the reclassification of the Group's interest in Surbana to assets held for sale, following the announcement of its divestment on 16 February 2015.
11. The increase in short-term borrowings and the corresponding decrease in long-term borrowings was mainly due to reclassification of borrowings from non-current to current in accordance with contractual terms and maturity dates.
12. The decrease in non-controlling interests was mainly due to the privatisation of CMA.

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

	Group	
	As at 31/12/2014	As at 31/12/2013 (Restated)
	S\$'000	S\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	2,437,125	213,065
Unsecured	1,032,034	1,066,819
Sub-Total 1	3,469,159	1,279,884
<u>Amount repayable after one year:-</u>		
Secured	3,411,491	5,127,460
Unsecured	9,105,168	9,528,819
Sub-Total 2	12,516,659	14,656,279
Total Debt	15,985,818	15,936,163
Total Debt less Cash	13,236,421	9,629,838

As at 31 December 2014, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately \$2.94 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.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(c) Consolidated Statement of Cash Flows

	4Q 2014 S\$'000	4Q 2013 S\$'000 (Restated)	FY 2014 S\$'000	FY 2013 S\$'000 (Restated)
Cash Flows from Operating Activities				
Profit after taxation	642,479	363,156	1,759,693	1,605,523
Adjustments for :				
Amortisation and impairment of intangible assets	805	1,499	4,901	5,930
(Writeback of)/Allowance for:				
- Foreseeable losses	91,849	99,206	82,811	99,206
- Doubtful receivables	3,021	4,154	(579)	9,044
- Impairment on investment in associates and joint ventures	61,903	56,007	61,903	56,007
- Impairment on property, plant and equipment	(199)	6,960	416	13,228
Gain from bargain purchase	(12,790)	-	(12,790)	(6,278)
Share-based expenses	10,181	11,955	52,720	38,872
Net change in fair value of financial derivatives	32	(4,118)	(1,356)	(9,149)
Depreciation of property, plant and equipment	18,809	16,035	64,620	62,803
Loss/ (Gain) on disposal of property, plant and equipment	34	164	(177)	184
(Gain)/ Loss on disposal of investment properties	(1,365)	12,578	(2,296)	12,578
Net fair value gain from investment properties	(248,716)	(236,251)	(451,094)	(422,433)
Net fair value gain from assets held for sale	(5,394)	(512)	(5,827)	(39,025)
Net loss/ (gain) on disposal/liquidation of equity investments and other financial assets	4,618	113,969	(21,690)	23,723
Share of results of associates and joint ventures	(330,900)	(310,412)	(986,235)	(924,989)
Loss on re-purchase of convertible bonds	-	11,514	2,713	44,639
Accretion of deferred income	-	(861)	-	(428)
Interest expense	114,478	124,552	439,473	539,916
Interest income	(16,932)	(17,965)	(57,288)	(81,962)
Taxation	110,302	88,942	273,133	205,138
	(200,264)	(22,584)	(556,642)	(372,996)
Operating profit before working capital changes	442,215	340,572	1,203,051	1,232,527
Changes in working capital				
Trade and other receivables	27,622	463,770	69,736	40,220
Development properties for sale	206,595	82,939	(149,335)	(234,181)
Trade and other payables	(45,057)	6,650	118,349	153,849
Restricted bank deposits	17,984	(12,056)	13,153	(13,584)
	207,144	541,303	51,903	(53,696)
Cash generated from operations	649,359	881,875	1,254,954	1,178,831
Income tax paid	(44,165)	(34,841)	(256,238)	(222,643)
Net cash generated from Operating Activities	605,194	847,034	998,716	956,188

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

	4Q 2014 S\$'000	4Q 2013 S\$'000 (Restated)	FY 2014 S\$'000	FY 2013 S\$'000 (Restated)
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	981	280	2,562	3,881
Purchase of property, plant and equipment	(53,899)	(12,990)	(129,158)	(80,479)
Repayment of loans by/ (Investments in) associates and joint ventures	(201,093)	(148,760)	(215,101)	334,905
Repayment from investee companies and other receivables	-	92,828	83,333	57,095
Deposits placed for investments	(202,143)	(48,207)	(437,644)	(126,374)
Acquisition/Development expenditure of investment properties	(410,038)	(171,009)	(935,060)	(661,153)
Proceeds from disposal of investment properties and assets held for sale	1,196	174,496	15,656	262,954
Proceeds from disposal of associates, joint ventures and other financial assets	-	114	1,204,224	31,115
Dividends received from associates and joint ventures	101,607	93,769	405,820	438,687
Acquisition of subsidiaries, net of cash acquired	(9,649)	(196,404)	(366,939)	(679,499)
Disposal of subsidiaries, net of cash disposed off	600	385,658	3,769	705,373
Release of deposit from escrow account for an acquisition	-	199,284	-	-
Settlement of hedging instruments	(3,144)	(1,443)	(5,245)	(594)
Interest income received	7,172	39,168	34,720	84,039
Net cash (used in)/generated from Investing Activities	(768,410)	406,784	(339,063)	369,950
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	189	65	1,383	1,638
Purchase of treasury shares	-	(16,674)	-	(16,674)
Proceeds from/ (Repayment of) shareholder loans from non-controlling interests	9,554	(152,578)	(58,615)	(108,296)
Contributions from non-controlling interests	991	141,798	991	319,959
Payments for acquisition of ownership interests in subsidiaries with no change in control	(8,661)	-	(3,171,269)	(127,803)
Proceeds from issue of perpetual securities	148,498	-	148,498	-
Proceeds from bank borrowings	735,500	631,662	3,739,098	3,623,201
Repayments of bank borrowings	(539,300)	(651,832)	(3,974,957)	(2,742,477)
Proceeds from issue of debt securities	212,657	799,430	712,657	1,519,720
Repayments of debt securities	(99,878)	(1,186,974)	(444,363)	(2,008,136)
Repayments of finance lease payables	(857)	(925)	(3,676)	(3,545)
Dividends paid to non-controlling interests	(61,886)	(11,982)	(363,998)	(389,672)
Dividends paid to shareholders	-	-	(340,648)	(298,010)
Interest expense paid	(110,157)	(138,711)	(477,899)	(639,141)
Bank deposits pledged for bank facility	(38,782)	-	(38,782)	-
Net cash generated from/ (used in) Financing Activities	247,868	(586,721)	(4,271,580)	(869,236)
Net increase/ (decrease) in cash and cash equivalents	84,652	667,097	(3,611,927)	456,902
Cash and cash equivalents at beginning of the period/ year	2,578,100	5,640,771	6,288,631	5,816,635
Effect of exchange rate changes on cash balances held in foreign currencies	43,321	(19,237)	29,369	15,094
Cash and cash equivalents at end of the period/ year	2,706,073	6,288,631	2,706,073	6,288,631
Restricted bank deposits	43,324	17,694	43,324	17,694
Cash and cash equivalents in the balance sheet	2,749,397	6,306,325	2,749,397	6,306,325

Cash and cash equivalents at end of the period

The cash and cash equivalents of about \$2,749.4 million as at 31/12/2014 included \$1,204.8 million in fixed deposits and \$153.6 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

For the period ended 31/12/2014 vs 31/12/2013 (restated) – 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 01/01/2014, as previously reported	6,302,207	9,429,976	335,726	16,067,909	3,243,034	19,310,943
Effects of changes in accounting policies [#]		30,013	10,947	40,960	5,102,880	5,143,840
Balance as at 01/01/2014, as restated	6,302,207	9,459,989	346,673	16,108,869	8,345,914	24,454,783
Total comprehensive income						
Profit for the year		1,160,848		1,160,848	598,845	1,759,693
<u>Other comprehensive income</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			348,194	348,194	11,471	359,665
Change in fair value of available-for-sale investments			719	719	-	719
Effective portion of change in fair value of cash flow hedges			42,377	42,377	2,695	45,072
Share of other comprehensive income of associates and joint ventures			90,000	90,000	1,925	91,925
Total other comprehensive income, net of income tax	-	-	481,290	481,290	16,091	497,381
Total comprehensive income	-	1,160,848	481,290	1,642,138	614,936	2,257,074
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company	1,939			1,939	-	1,939
Contributions from non-controlling interests (net)				-	991	991
Issue of perpetual securities by a subsidiary				-	147,995	147,995
Conversion of convertible bonds			(2,062)	(2,062)	69,862	67,800
Repurchase / Redemption of convertible bonds		(11,767)	(3,603)	(15,370)	(33,115)	(48,485)
Dividends paid/payable		(340,648)		(340,648)	(368,002)	(708,650)
Accrued distribution for perpetual securities issued by a subsidiary		(621)		(621)	621	-
Share-based payments			32,531	32,531	16,566	49,097
Cash settlement of share awards by a subsidiary				-	(31,477)	(31,477)
Reclassification of equity compensation reserve		40,724	(40,724)	-	-	-
Total contributions by and distributions to owners	1,939	(312,312)	(13,858)	(324,231)	(196,559)	(520,790)
Changes in ownership interests in subsidiaries with change in control		8,207	(8,889)	(682)	182,502	181,820
Changes in ownership interests in subsidiaries with no change in control		(647,992)	(28,857)	(676,849)	(2,495,993)	(3,172,842)
Share of reserves of associates and joint ventures		(29,360)	37,651	8,291	39	8,330
Others		(22,877)	23,343	466	(310)	156
Total transactions with owners	1,939	(1,004,334)	9,390	(993,005)	(2,510,321)	(3,503,326)
Balance as at 31/12/2014	6,304,146	9,616,503	837,353	16,758,002	6,450,529	23,208,531

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

[#] Please refer to Note 4.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

For the period ended 31/12/2014 vs 31/12/2013 (restated) – 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 01/01/2013, previously reported	6,300,011	8,910,445	(130,048)	15,080,408	4,363,376	19,443,784
Effects of changes in accounting policies [#]		54,302	11,213	65,515	4,600,925	4,666,440
Balance as at 01/01/2013, as restated	6,300,011	8,964,747	(118,835)	15,145,923	8,964,301	24,110,224
Total comprehensive income						
Profit for the year		840,242		840,242	765,281	1,605,523
<u>Other comprehensive income</u>						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			284,477	284,477	(43,104)	241,373
Change in fair value of available-for-sale investments			(469)	(469)	-	(469)
Effective portion of change in fair value of cash flow hedges			65,074	65,074	25,126	90,200
Share of other comprehensive income of associates and joint ventures			161,745	161,745	36,560	198,305
Total other comprehensive income, net of income tax	-	-	510,827	510,827	18,582	529,409
Total comprehensive income	-	840,242	510,827	1,351,069	783,863	2,134,932
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company and its subsidiaries	2,196		(3,046)	(850)	3,382	2,532
Purchase of treasury shares			(16,674)	(16,674)		(16,674)
Contributions by non-controlling interests (net)				-	331,028	331,028
Equity portion of convertible bonds issued			70,262	70,262	-	70,262
Conversion of convertible bonds			(1,032)	(1,032)	33,672	32,640
Repurchase of convertible bonds		9,887	(158,173)	(148,286)	-	(148,286)
Dividends paid/payable		(298,010)		(298,010)	(355,467)	(653,477)
Share-based payments			24,526	24,526	13,150	37,676
Total contributions by and distributions to owners	2,196	(288,123)	(84,137)	(370,064)	25,765	(344,299)
Changes in ownership interests in a subsidiary with a change in control		(16,600)	16,600	-	(1,345,722)	(1,345,722)
Changes in ownership interests in subsidiaries with no change in control		(24,637)	8,247	(16,390)	(88,062)	(104,452)
Share of reserves of associates and joint ventures		(12,820)	11,284	(1,536)	(178)	(1,714)
Others		(2,820)	2,687	(133)	5,947	5,814
Total transactions with owners	2,196	(345,000)	(45,319)	(388,123)	(1,402,250)	(1,790,373)
Balance as at 31/12/2013	6,302,207	9,459,989	346,673	16,108,869	8,345,914	24,454,783

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

[#] Please refer to Note 4.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

For the period ended 31/12/2014 vs 31/12/2013 – 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 01/01/2014	6,302,207	2,992,741	(51,691)	287,245	53,415	9,583,917
Total comprehensive income						
Profit for the year		585,102				585,102
Transactions with equity holders, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company	1,939					1,939
Issue of treasury shares			14,702		(2,368)	12,334
Dividends paid		(340,648)				(340,648)
Share-based payments					8,456	8,456
Reclassification of equity compensation reserve		12,891			(13,155)	(264)
Total transactions with owners	1,939	(327,757)	14,702	-	(7,067)	(318,183)
Balance as at 31/12/2014	6,304,146	3,250,086	(36,989)	287,245	46,348	9,850,836
Balance as at 01/01/2013	6,300,011	3,125,358	(49,366)	383,490	46,701	9,806,194
Total comprehensive income						
Profit for the year		153,443				153,443
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Issue of shares under the share plans of the Company	2,196					2,196
Issue of treasury shares			14,349		(1,466)	12,883
Purchase of treasury shares			(16,674)			(16,674)
Dividends paid		(298,010)				(298,010)
Equity portion of convertible bonds issued				79,526		79,526
Repurchase of convertible bonds		11,950		(175,771)		(163,821)
Share-based payments					8,180	8,180
Total transactions with owners	2,196	(286,060)	(2,325)	(96,245)	6,714	(375,720)
Balance as at 31/12/2013	6,302,207	2,992,741	(51,691)	287,245	53,415	9,583,917

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

Issued Share Capital

As at 31 December 2014, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,258,585,369 (31 December 2013: 4,252,045,918) ordinary shares. Movements in the Company's issued and fully paid-up share capital were as follows:

	<u>No. of Shares</u>
As at 01/01/2014	4,252,045,918
Treasury shares transferred pursuant to employee share plans	5,536,269
Issue of new shares under Share Option Plans and payment of Directors' fees	911,989
As at 30/09/2014	<u>4,258,494,176</u>
Issue of new shares under Share Option Plans	91,193
As at 31/12/2014	<u>4,258,585,369</u>

Outstanding Options under CapitaLand Share Option Plan

	<u>No. of Shares</u>
As at 01/01/2014	7,168,345
Exercised/Lapsed/Cancelled	(1,371,988)
As at 31/12/2014	<u>5,796,357</u>

Performance Share Plan

As at 31 December 2014, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 10,633,964 (31 December 2013: 9,011,361).

Under the PSP, the final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted in 2012 and 2013, the maximum is 175 percent of the baseline award. From 2014, the maximum will be 170 percent of the baseline award. There is no vesting period for shares released under the PSP.

Restricted Stock/Share Plan

As at 31 December 2014, the number of shares comprised in contingent awards granted under the restricted stock/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 10,853,678 (31 December 2013: 7,042,457) and 6,369,820 (31 December 2013: 6,471,879) respectively, of which 978,090 (31 December 2013: 311,720) shares out of the former and 231,368 (31 December 2013: 351,392) 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.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 31 December 2014:

Principal Amount \$ million	Final Maturity Year	Conversion price \$	Convertible into new ordinary shares
184.25	2016	6.0100	30,657,237
235.25	2018	7.1468	32,916,829
467.00	2016	4.6619	100,173,748
650.00	2020	4.9946	130,140,551
800.00	2023	4.2074	190,141,179
1,000.00	2022	11.5218	86,791,994

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 570,821,538 (31 December 2013: 570,009,208) representing a 13.4% increase over the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2014.

1(d)(iii) Treasury Shares

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

	<u>No of Shares</u>
As at 01/01/2014	19,465,215
Treasury shares transferred pursuant to employee share plans	(5,536,269)
As at 31/12/2014	<u>13,928,946</u>

The number of treasury shares held by the Company represents 0.3% of the total number of issued shares (excluding treasury shares) as at 31 December 2014.

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 2013, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2014.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 January 2014 are:

Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities;
FRS 110 Consolidated Financial Statements;
FRS 111 Joint Arrangements;
FRS 112 Disclosures of Interests in Other Entities

Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 32 clarify the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The adoption of amendment to FRS 32 did not have any significant impact on the financial position of the Group and the Company.

FRS 110 Consolidated Financial Statements

FRS 110 establishes a single control model as the basis for determining the entities that will be consolidated. It also requires management to exercise significant judgement to determine which investees are controlled, and therefore are required to be consolidated by the Group.

The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment, the Group is required under FRS 110 to consolidate CapitaCommercial Trust, CapitaMalls Malaysia Trust and Ascott Residence Trust.

In accordance with FRS 110, this change in accounting policy was applied retrospectively. Accordingly, the effects of the Group's financial statements arising from the adoption of FRS 110 are as follows:

Balance sheet as at 1 January

Revenue reserves
Other reserves
Non-controlling interests
Total equity

Balance sheet as at 31 December

Property, plant & equipment
Investment properties
Interest in associates and joint ventures
Other non-current assets
Assets held for sale
Cash and cash equivalents
Other current assets
Total assets

Trade and other payables
Short-term borrowings
Current tax payable
Long-term borrowings
Other non-current liabilities
Total liabilities

Net assets

Group	
2014 \$'000 Increase/ (Decrease)	2013 \$'000 Increase/ (Decrease)
30,013	54,302
10,947	11,213
5,102,880	4,600,925
5,143,840	4,666,440
-	(412,833)
-	10,560,740
-	(1,602,676)
-	(113,833)
-	87,033
-	386,173
-	3,611
-	8,908,215
-	208,886
-	85,602
-	5,501
-	3,287,774
-	176,612
-	3,764,375
-	5,143,840

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

Income statement for the period ended 31 December

	Group 2013 \$'000 Increase/ (Decrease)
Revenue	544,003
Cost of sales	137,448
Other operating income	373,758
Administrative expenses	27,536
Other operating expenses	77,832
Finance costs	95,426
Share of results of associates (net of tax)	(245,832)
Share of results of joint ventures (net of tax)	123,453
Taxation	36,230
Non-Controlling interests	430,463
Profit attributable to owners of the Company	(9,553)
Decrease in basic earnings per share (cents)	0.3
Decrease in diluted earnings per share (cents)	0.2

FRS 111 Joint Arrangements

FRS 111 establishes the principles for classification and accounting of joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations. As the Group is currently applying the equity method of accounting for its joint ventures, there is no impact to the Group's profit or net assets.

FRS 112 Disclosures of Interests in Other Entities

FRS 112 sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

As FRS 112 is primarily a disclosure standard, there is no financial impact on the results and financial position of the Group and the Company from the adoption of this standard.

- 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.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

		Group			
		4Q 2014	4Q 2013	FY 2014	FY 2013
		(Restated)		(Restated)	
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)				
	- from continuing operations	9.7	6.0	26.6	20.5
	- from discontinued operation	(0.1)	(2.7)	0.7	(0.8)
	Total	9.6	3.3	27.3	19.7
	Weighted average number of ordinary shares (in million)	4,258.5	4,256.2	4,257.3	4,256.0
6(b)	EPS based on fully diluted basis (in cents)				
	- from continuing operations	9.1	5.7	25.3	20.1
	- from discontinued operation	(0.1)	(2.5)	0.6	(0.7)
	Total	9.0	3.2	25.9	19.4
	Weighted average number of ordinary shares (in million)	4,749.7	4,563.9	4,748.1	4,605.9

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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	(Restated)			
NAV per ordinary share	\$3.94	\$3.79	\$2.32	\$2.26
NTA per ordinary share	\$3.83	\$3.68	\$2.32	\$2.26

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

8 Review of the Group's performance

Group Overview

S\$M	4Q 2014	4Q 2013 (Restated)	Variance (%)	FY 2014	FY 2013 (Restated)	Variance (%)
Revenue	1,517.8	907.9	67.2	3,924.6	3,511.0	11.8
Earnings before Interest and Tax ("EBIT")	867.3	687.1	26.2	2,436.9	2,258.6	7.9
Finance costs	(114.5)	(115.8)	1.1	(439.5)	(481.7)	8.8
PBT	752.8	571.3	31.8	1,997.5	1,776.9	12.4
PATMI - continuing operations	415.6	255.8	62.5	1,131.7	874.6	29.4
PATMI - discontinued operation ⁽¹⁾	(6.2)	(113.2)	(94.5)	29.1	(34.3)	NM
Total PATMI	409.4	142.6	187.0	1,160.8	840.2	38.2
Operating PATMI ⁽²⁾	283.6	183.8	54.3	705.3	502.5	40.4

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

⁽²⁾ Operating PATMI included \$123.5 million profit from the sale of Westgate Tower.

4Q 2014 vs 4Q 2013 (Restated)

For the quarter under review, the Group achieved a revenue of \$1,517.8 million and a PATMI of \$415.6 million from its continuing operations.

Revenue

Revenue increased by 67.2% mainly due to recognition for the sale of office strata units in Westgate Tower during the quarter. The contribution from Westgate Tower amounted to \$579.4 million and was reported under CapitaMalls Asia ("CMA") (\$463.5 million) and CapitaLand Singapore's ("CL Singapore") (\$115.9 million) in proportion to their shareholding in the project. In addition, the Group also recorded higher revenue from our shopping mall and serviced residence businesses and development projects in Singapore. The increase was partially offset by fewer handover of units from development projects held by subsidiaries in China during the quarter.

Collectively, the two core markets of Singapore and China accounted for 82.3% (4Q 2013: 75.1%) of the Group's revenue.

EBIT

The Group achieved an EBIT of \$867.3 million in 4Q 2014. This was 26.2% higher than 4Q 2013 mainly due to better operating performance and higher net fair value gains from investment properties, partially offset by higher provision for impairment and foreseeable losses.

The improved operating performance was mainly attributable to the profit contribution from the sale of Westgate Tower (\$192.2 million), higher rental income from the shopping mall business and absence of losses incurred on repurchase of convertible bonds, partially offset by fewer handover of units from development projects in China.

The net fair value gains from revaluation of investment properties were higher at \$461.8 million (4Q 2013: \$393.8 million), of which \$254.1 million (4Q 2013: \$239.8 million) was recorded by subsidiary projects and are recognised in other operating income and \$207.7 million (4Q 2013: \$154.0 million) was recorded through share of results of associates and joint ventures.

In 4Q 2014, provision for foreseeable losses amounted to \$109.1 million (4Q 2013: \$25.7 million) was made in respect of certain development projects in Singapore and China, of which \$91.8 million was recognised in cost of sales and \$17.3 million in share of results of associates and joint ventures.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

In addition, the Group also impaired certain investments in Singapore and India amounting to \$65.7 million (4Q 2013: \$58.7 million), of which \$61.9 million was recognised in other operating expenses and \$3.8 million in share of results of associates.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 89.4% of total EBIT from continuing operations (4Q 2013: 91.5%). Singapore EBIT was \$527.0 million or 60.8% of total EBIT (4Q 2013: \$350.8 million or 51.0%) while China EBIT was \$248.4 million or 28.6% of total EBIT (4Q 2013: \$278.0 million or 40.5%).

Singapore EBIT increased mainly on account of profit from the sale of Westgate Tower, higher fair value gains on revaluation of investment properties and absence of divestment loss on Technopark@Chai Chee, partially offset by higher provision for impairment and foreseeable losses. EBIT from China decreased as a result of lower handover of units this quarter, portfolio losses in 4Q 2014 as compared to a gain in 4Q 2013, partially mitigated by lower provision for impairment and foreseeable losses.

PATMI

Overall, the Group achieved a PATMI from continuing operations of \$415.6 million in 4Q 2014, which was 62.5% higher than the restated 4Q 2013 PATMI of \$255.8 million. Including PATMI from discontinued operation, the Group's total PATMI for the quarter was \$409.4 million as compared to \$142.6 million in 4Q 2013. The Group's operating PATMI was \$283.6 million, which was 54.3% higher than the same quarter last year on account of profit from the sale of Westgate Tower.

FY 2014 vs FY 2013 (Restated)

The Group achieved a revenue of \$3,924.6 million and a PATMI of \$1,131.7 million from its continuing operations in FY 2014.

Revenue

Revenue for FY 2014 was 11.8% higher mainly due to the sale of Westgate Tower, higher contribution from the shopping mall and serviced residences businesses as well as our development projects in Vietnam, namely The Vista and Mulberry Lane. The increase was partially offset by lower revenue from our development projects in China.

Singapore accounted for 54.7% (FY 2013: 45.9%) of the Group's revenue while China operations accounted for 22.0% (FY 2013: 31.5%). Together they accounted for 76.7% (FY 2013: 77.4%) of the Group's revenue.

EBIT

The Group achieved an EBIT of \$2,436.9 million in FY 2014 (FY 2013: \$2,258.6 million). The higher EBIT was attributable to improved operating performance and higher net fair value gains from revaluation of investment properties, partially offset by portfolio loss as compared to a gain in FY 2013 and higher provision for impairment and foreseeable losses.

The improvement in operating performance was driven by profit recognition from sale of Westgate Tower, higher contribution from the shopping mall business in Singapore and China, higher development profits in China and Vietnam and lower losses on re-purchase of convertible bonds. The increase was partially offset by lower development profits in Singapore.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of \$904.5 million (FY 2013: \$849.3 million) at EBIT level. The fair value gains from investment properties in Singapore, India, Malaysia and Japan were higher, but these were partially offset by lower fair value gains from our investment properties in China, Europe and Australia.

The portfolio loss in FY 2014 was \$17.7 million (FY 2013: gain of \$102.0 million), which arose mainly from the sale of LOMA IT Park in India.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

For the full year, the Group has made provision for impairment and foreseeable losses totalling \$166.3 million (FY 2013: \$94.9 million), mainly in respect of development projects and investments in Singapore, China and India.

EBIT Contribution by Geography

Singapore and China markets accounted for 83.5% of total EBIT against 85.1% in FY 2013. EBIT from Singapore was \$1,284.6 million or 52.7% (FY 2013: \$1,138.3 million or 50.4%), while China EBIT was \$751.2 million or 30.8% (FY 2013: \$782.7 million or 34.7%).

The higher Singapore EBIT was mainly attributable to the profit from the sale of Westgate Tower, higher fair value gains of investment properties, absence of divestment loss and lower losses from re-purchase of convertible bonds. The increase was partially offset by higher provision for impairment and foreseeable losses. EBIT from China decreased due to lower portfolio and fair value gains, partially mitigated by higher share of development profits from projects held through our associates and lower provision for foreseeable losses.

Finance Costs

Finance costs decreased as the average interest rate and level of borrowings were both lower in FY 2014. The reduction in financing costs is a result of capital management initiatives undertaken in FY 2013.

PATMI

For the FY 2014, the Group achieved a PATMI from continuing operations of \$1,131.7 million, which was 29.4% higher than the restated FY 2013 PATMI of \$874.6 million. Including PATMI from discontinued operation, the Group's total PATMI was \$1,160.8 million, 38.2% higher than restated FY 2013. The Group's operating PATMI was \$705.3 million, which was 40.4% higher than restated FY 2013 on account of profit from the sale of Westgate Tower and contribution from the increased stake in CMA.

Segment Performance

CL Singapore

\$M	4Q 2014	4Q 2013 (Restated)	Variance (%)	FY 2014	FY 2013 (Restated)	Variance (%)
Revenue	368.9	214.9	71.6	1,241.5	1,237.4	0.3
EBIT	344.3	220.3	56.3	802.7	749.1	7.1

In 4Q 2014, CL Singapore sold 41 residential units (4Q 2013: 109 units), bringing the total number of residential units sold in FY 2014 to 278 units (FY 2013: 1,260 units) with a total sales value of \$561 million (FY 2013: \$2.4 billion).

CL Singapore's revenue rose by 71.6% in 4Q 2014 mainly attributable to its proportionate share of revenue from the sale of Westgate Tower, higher contribution from Sky Habitat as well as the commencement of revenue recognition for Sky Vue and higher rental revenue from CapitaCommercial Trust ("CCT"), Westgate and Bedok Mall. The increase was partially offset by the lower contribution from The Interlace and Urban Resort Condominium after obtaining Temporary Occupation Permit in 2013 as well as absence of rental income from TechnoPark@Chai Chee which was divested in November 2013. CL Singapore's revenue of \$1,241.5 million for FY 2014 was comparable to that of FY 2013.

The increase in EBIT for 4Q 2014 and FY 2014 against the same period last year was mainly due the profit from the sale of Westgate Tower as well as higher revaluation gains of CCT's properties and CapitaGreen. This was partially offset by provision for foreseeable losses for development projects.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

CL China

S\$M	4Q 2014	4Q 2013 (Restated)	Variance (%)	FY 2014	FY 2013 (Restated)	Variance (%)
Revenue	231.8	292.8	(20.9)	637.5	899.0	(29.1)
EBIT	94.8	132.0	(28.2)	409.1	387.7	5.5

In 4Q 2014, CL China sold 1,673 units at a sales value of RMB 3.3 billion or approximately \$697 million (4Q 2013: 1,902 units; RMB 2.2 billion). Century Park in Chengdu, which was acquired in March 2014, launched 232 units in November 2014 and achieved a healthy sales rate of about 45%. Raffles City Hangzhou has also launched its strata office area (about 23,800 sqm) in December 2014 and sold about one-third of the total area launched for sale.

In FY 2014, 4,961 units were sold at a value of RMB 7.6 billion or approximately \$1.6 billion (FY 2013: 7,688 units; RMB 8.7 billion). The sales were mainly from The Paragon and Lotus Mansion in Shanghai, Dolce Vita in Guangzhou, The Metropolis in Kunshan, The Loft in Chengdu and La Botanica in Xi'an.

In 4Q 2014, CL China handed over 1,457 units (4Q 2013: 3,388 units) to home buyers, mainly from Dolce Vita (367 units), La Botanica (329 units), International Trade Centre in Tianjin (299 units) and Central Park City in Wuxi (225 units). Including 6,491 units handed over in the first nine months of 2014, CL China delivered a total of 7,948 units in FY 2014 (FY 2013: 8,365 units).

Revenue and EBIT for CL China which is recognised on a completion basis, decreased this quarter as fewer apartment units were handed over to home buyers. Revenue in FY 2014 was lower than FY 2013 as the units handed over in FY 2013 were from projects that have higher average selling prices, in particular, The Paragon.

Despite lower revenue, EBIT for FY 2014 was higher mainly due to higher share of associates' and joint ventures' operating results contributed mainly from Dolce Vita in Guangzhou and Imperial Bay in Hangzhou, as well as reversal of costs accruals upon finalisation and lower impairment losses for development projects.

CapitaMalls Asia ("CMA")

S\$M	4Q 2014	4Q 2013 (Restated)	Variance (%)	FY 2014	FY 2013 (Restated)	Variance (%)
Revenue	656.5	184.1	256.7	1,177.7	640.7	83.8
EBIT	380.1	272.9	39.3	945.2	844.9	11.9

Revenue for 4Q 2014 and FY 2014 were higher on account of its proportionate share in Westgate Tower, higher contribution from Bedok Mall and Westgate which commenced operations in December 2013 and improved performance from malls in China.

EBIT for 4Q 2014 and FY 2014 were higher than the corresponding periods mainly due to the profit from the sale of Westgate Tower, partially offset by lower revaluation gains, higher portfolio losses in Japan and India as compared to portfolio gains from China in corresponding periods.

Excluding revaluation gains, portfolio losses and impairments, CMA's EBIT improved by 64.5% to \$683.7 million in FY 2014 on account of the profit from the sale of Westgate Tower as well as higher rental contribution from its shopping malls in Singapore and China.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

Ascott

S\$M	4Q 2014	4Q 2013 (Restated)	Variance (%)	FY 2014	FY 2013 (Restated)	Variance (%)
Revenue	176.6	164.3	7.5	682.9	635.0	7.6
EBIT	96.2	101.7	(5.4)	297.5	323.4	(8.0)

In 4Q 2014, Ascott secured management contracts for 8 properties in China, Korea, Vietnam and Dubai, deepening its presence in these countries. In addition, Ascott opened 8 more properties in China, Germany, Indonesia, Philippines, Laos and Indonesia. The newly opened property in Indonesia will be acquired by Ascott under a conditional agreement.

In FY 2014, Ascott secured a total of 21 management and lease contracts worldwide and acquired 6 properties, out of which 5 were acquired by Ascott Reit, adding more than 4,800 units to the portfolio. In addition, Ascott acquired a 20% stake in Quest Serviced Apartments ("Quest") and entered into a strategic partnership with Quest where Ascott is expected to invest up to A\$500 million in new properties that Quest will secure for its franchise network over the next five years. Quest is a market-leading group predominantly in the business of establishing and franchising serviced apartments through the Quest brand in the Australian domestic market. The strategic partnership and acquisition will further propel growth and deepened Ascott's presence in Australia.

Revenue for 4Q 2014 and FY 2014 were higher mainly due to contribution from newly acquired properties in China and Japan as well as newly opened properties in Europe.

EBIT for 4Q 2014 and FY 2014 were lower mainly due to lower fair value gains from investment properties, partially mitigated by contribution from newly acquired properties.

Corporate and Others

S\$M	4Q 2014	4Q 2013 (Restated)	Variance (%)	FY 2014	FY 2013 (Restated)	Variance (%)
Revenue	84.0	51.7	62.4	184.9	98.9	86.8
EBIT	(48.0)	(39.8)	(20.8)	(17.5)	(46.5)	62.4

Corporate and Others include Corporate Office, Surbana, Storhub, Financial Services and other businesses in Vietnam, Japan, UK and GCC.

The higher revenue in 4Q 2014 was attributable to the completion of The Parkhouse @ Nishi Azabu in Japan.

EBIT for 4Q 2014 was lower due to the impairment of our investment in Surbana, partially mitigated by higher revenue and absence of loss incurred on re-purchase of convertible bonds.

For FY 2014, the loss at EBIT level was lower due to higher revenue, receipt of forfeiture deposit arising from an abortive deal and the absence of a loss incurred on re-purchase of convertible bonds, partially offset by higher impairment charges, divestment loss as compared to a gain last year.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the third quarter 2014 financial results were announced.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

CL Singapore

According to the URA's real estate statistics, prices of private residential properties decreased by 1.1% in 4Q 2014, compared to the 0.7% decline in 3Q 2014. For the whole of 2014, private residential prices have decreased by 4.0%, compared with an increase of 1.1% in 2013. Prices of non-landed private residential properties declined across all market segments.

As the impact of the Total Debt Servicing Ratio and concerns over interest rate hikes continue to weigh down the market, private residential demand and pricing are expected to further moderate in 2015. However, with a resilient Singapore economy and policies to support population and economic growth, demand for new homes over the long-term remains positive.

Marine Blue and the sites at Cairnhill Road and Coronation Road would be launch-ready in 2015. CL Singapore will continue to source for well-located sites to build up its pipeline.

Grade A office occupancy dipped slightly to 94.2% in 4Q 2014 from 95.7% as at 3Q 2014 due to additional new office supply according to CBRE. Grade A office monthly rent increased by 2.3% from \$10.95 per square foot as at 3Q 2014 to \$11.20 per square foot as at 4Q 2014. Year-on-year, Grade A office monthly rent increased by a healthy 14.9%. Given the limited new office supply in 2015, the office market rent is likely to continue to grow. The rate of growth will depend on the office demand against the new supply which will come on-stream from the second half of 2016. As at 31 December 2014, CapitaGreen's leasing commitment stands at 69.3% and is well-positioned to lease out its remaining space by end 2015.

CL China

In November 2014, People's Bank of China (PBOC) cut its benchmark one-year loan rate from 6% to 5.6%, which is the first interest-rate cut since July 2012. With PBOC's earlier announcement on a set of measures that lower the cost of mortgages and increase the mortgage availability, as well as the Chinese government's relaxation of home purchase restrictions (HPRs) in second and third tier cities, these measures are expected to improve residential sales.

Three new projects, namely Riverfront in Hangzhou, Summit Era in Ningbo and Vermont Hills in Beijing are expected to be launch ready in 2015. These new projects, together with new phases from existing projects', will collectively yield about 9,000 units that are expected to be launch ready in 2015. These units will be released for sale according to market conditions and subject to regulatory approval.

CL China is expected to complete over 8,000 units in 2015. New projects expected to commence handover upon completion are Vermont Hills in Beijing, New Horizon and Lotus Mansion in Shanghai, Lakeside in Wuhan, Parc Botanica in Chengdu and Vista Garden in Guangzhou.

The four completed Raffles City developments, namely Raffles City Shanghai, Raffles City Beijing, Raffles City Ningbo and Raffles City Chengdu are expected to continue to generate positive and stable leasing income. Subject to regulatory approval and market conditions, the strata-sale components of Raffles City Shenzhen and Raffles City Hangzhou are expected to be launch-ready in 2015. Raffles City Changning is expected to commence its office and retail operations in 4Q 2015 and 2016 respectively. Raffles City Chongqing is expected to commence main construction works in 2015.

CL China will continue to seek opportunities to acquire new sites to boost its development pipeline in China, including undertaking strategic acquisitions of land banks and real estate assets.

CAPITALAND LIMITED

2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

CMA

CMA's key markets in Singapore, China and Malaysia are expected to register positive GDP growth in 2015. China's economy is expected to grow around 7.0%; Singapore's economy between 2.0% and 4.0% and Malaysia between 4.5% and 5.5% in 2015.

China's retail sales for FY 2014 continue to grow 12.0% year-on-year to RMB26.2 trillion. While moderate growth rate going forward is expected, with the government placing less emphasis on rapid growth; the focus on driving domestic consumption and maintaining long-term stability should bode well for our China malls. In addition, our portfolio of 19 operational malls in Singapore which are well-connected to public transportation networks and strategically located either in large population catchments or within popular shopping and tourist destinations, will provide us with a steady stream of income in 2015.

Going forward, CMA will continue to focus its efforts on opening new malls in China as well as improving the performance of its existing malls. CMA will also further strengthen its presence in the region when opportunities arise and build upon the sizeable pipeline of malls under development which will underpin the growth in future earnings.

Ascott

Notwithstanding a challenging operating environment going into 2015 due to slower growth in certain economies, Ascott expects to remain resilient and healthy through the extended stay business model and well-diversified global presence.

In 2015, Ascott will continue to grow its fee-based income through securing more management contracts as part of its strategy to scale up its global network and improve operational leverage.

In addition, Ascott will continue to seek investment opportunities in key gateway cities globally.

Ascott will also focus on active asset enhancement initiatives to reposition and upgrade certain serviced residences to optimise returns and to create value for shareholders, as well as enhance travelers' experience.

GROUP OVERALL PROSPECTS

CapitaLand has a well-balanced portfolio of investment properties which generate strong recurring income and residential projects providing trading income.

CapitaLand is on track in terms of our strategic direction to build a diversified portfolio across integrated developments, shopping malls, serviced residences, offices and homes. CapitaLand remains confident in the long-term outlook for its two core markets, Singapore and China, while we expand in our new growth markets of Vietnam, Indonesia and Malaysia.

CapitaLand will continue its capital management strategy using the listed real estate investment trusts (REITs), funds and various capital management platforms, as well as growing its assets under management. CapitaLand has the capacity to take advantage of new opportunities when they arise.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

11 Dividend

11(a) Any dividend declared for the present financial period? Yes. Please refer to Note 18.

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

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

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

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

Not applicable.

13 Interested Person Transactions

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

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

Not applicable.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

15 Segmental Revenue and Results – Continuing operations

15(a)(i) By Strategic Business Units (SBUs) – 4Q 2014 vs 4Q 2013 (Restated)

	Revenue			Earnings before interest & tax		
	4Q 2014 S\$'000	4Q 2013 ⁽¹⁾ S\$'000 (Restated)	Variance %	4Q 2014 S\$'000	4Q 2013 ⁽¹⁾ S\$'000 (Restated)	Variance %
Continuing operations						
CapitaLand Singapore ⁽²⁾	368,858	214,929	71.6	344,275	220,285	56.3
CapitaLand China ⁽³⁾	231,777	292,836	(20.9)	94,754	131,997	(28.2)
CapitaMalls Asia	656,509	184,058	256.7	380,056	272,868	39.3
Ascott	176,618	164,333	7.5	96,185	101,667	(5.4)
Corporate and Others ⁽⁴⁾	84,046	51,745	62.4	(48,011)	(39,754)	(20.8)
Total	1,517,808	907,901	67.2	867,259	687,063	26.2

15(a)(ii) By Strategic Business Units (SBUs) – FY 2014 vs FY 2013 (Restated)

	Revenue			Earnings before interest & tax		
	FY 2014 S\$'000	FY 2013 ⁽¹⁾ S\$'000 (Restated)	Variance %	FY 2014 S\$'000	FY 2013 ⁽¹⁾ S\$'000 (Restated)	Variance %
Continuing operations						
CapitaLand Singapore ⁽²⁾	1,241,537	1,237,434	0.3	802,683	749,133	7.1
CapitaLand China ⁽³⁾	637,500	899,007	(29.1)	409,101	387,687	5.5
CapitaMalls Asia	1,177,744	640,688	83.8	945,162	844,927	11.9
Ascott	682,934	634,955	7.6	297,496	323,350	(8.0)
Corporate and Others ⁽⁴⁾	184,883	98,949	86.8	(17,502)	(46,537)	62.4
Total	3,924,598	3,511,033	11.8	2,436,940	2,258,560	7.9

Note : ⁽¹⁾ The comparatives have been restated to take into account the retrospective adjustments relating to FRS 110 and FRS 105.

⁽²⁾ Includes residential business in Malaysia.

⁽³⁾ Excludes Retail and Serviced Residences in China.

⁽⁴⁾ Includes Surbana, Storhub, Financial Services and other businesses in Vietnam, Japan, UK and GCC.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

15(b)(i) By Geographical Location – 4Q 2014 vs 4Q 2013 (Restated)

	Revenue			Earnings before interest & tax		
	4Q 2014	4Q 2013 ⁽¹⁾	Variance	4Q 2014	4Q 2013 ⁽¹⁾	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(Restated)			(Restated)		
Continuing operations						
Singapore	952,312	335,249	184.1	527,047	350,810	50.2
China ⁽²⁾	297,151	346,900	(14.3)	248,392	278,039	(10.7)
Other Asia ⁽³⁾	179,597	134,139	33.9	74,705	10,319	624.0
Europe & Others ⁽⁴⁾	88,748	91,613	(3.1)	17,115	47,895	(64.3)
Total	1,517,808	907,901	67.2	867,259	687,063	26.2

15(b)(ii) By Geographical Location – FY 2014 vs FY 2013 (Restated)

	Revenue			Earnings before interest & tax		
	FY 2014	FY 2013 ⁽¹⁾	Variance	FY 2014	FY 2013 ⁽¹⁾	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	(Restated)			(Restated)		
Continuing operations						
Singapore	2,145,274	1,613,341	33.0	1,284,602	1,138,319	12.9
China ⁽²⁾	865,261	1,104,737	(21.7)	751,153	782,736	(4.0)
Other Asia ⁽³⁾	558,527	441,821	26.4	298,756	202,354	47.6
Europe & Others ⁽⁴⁾	355,536	351,134	1.3	102,429	135,151	(24.2)
Total	3,924,598	3,511,033	11.8	2,436,940	2,258,560	7.9

Note : ⁽¹⁾ The comparatives have been restated to take into account the retrospective adjustments relating to FRS 110 and FRS 105.

⁽²⁾ China including Hong Kong.

⁽³⁾ Excludes Singapore and China and includes projects in GCC.

⁽⁴⁾ Includes Australia.

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

Please refer to Item 8.

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

	2014 S\$'000	2013 S\$'000 (Restated)	Increase/ (Decrease) %
(a) Revenue			
- first half	1,487,862	1,643,061	(9.4)
- second half	2,436,736	1,867,972	30.4
Full year revenue	3,924,598	3,511,033	11.8
(b) Profit after tax before deducting minority interests ("PAT")			
- first half	919,630	986,189	(6.7)
- second half	840,063	619,334	35.6
Full year PAT	1,759,693	1,605,523	9.6

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

Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual profit after tax and non-controlling interests excluding unrealised revaluation gains or losses as well as impairment charges or write backs.

The Directors are pleased to propose an ordinary dividend of 9.0 cents per share for the financial year ended 31 December 2014, subject to shareholders' approval.

Name of Dividend	Current financial year ended 31/12/2014		
	Ordinary	Special	Total
Type of Dividend	Cash	-	Cash
Dividend Per share	9.0 cents	-	9.0 cents
Annual Dividend (S\$'000)	383,273	-	383,273

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2014. The actual dividend payment can only be determined on books closure date.

Name of Dividend	Previous financial year ended 31/12/2013		
	Ordinary	Special	Total
Type of Dividend	Cash	-	Cash
Dividend Per share	8.0 cents	-	8.0 cents
Annual Dividend (S\$'000)	340,648	-	340,648

CAPITALAND LIMITED
2014 FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

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

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
17 February 2015

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.