



CAPITALAND LIMITED

(Registration Number : 198900036N)

2016 FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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1(a)(i) Income Statement

	Note	Group		
		1Q 2016 S\$'000	1Q 2015 S\$'000	Change %
Revenue	A	894,175	914,997	(2.3)
Cost of sales	B	(614,789)	(553,303)	11.1
Gross profit		279,386	361,694	(22.8)
Other operating income	C	111,562	17,548	535.8
Administrative expenses	D	(92,079)	(93,563)	(1.6)
Other operating expenses	E	(5,761)	(29,685)	(80.6)
Profit from operations		293,108	255,994	14.5
Finance costs		(118,799)	(118,105)	0.6
Share of results (net of tax) of:	F			
- associates		122,595	85,707	43.0
- joint ventures		42,532	39,848	6.7
		165,127	125,555	31.5
Profit before taxation		339,436	263,444	28.8
Taxation	G	(51,586)	(50,567)	2.0
Profit for the period		287,850	212,877	35.2
Attributable to:				
Owners of the Company ("PATMI")		218,265	161,258	35.4
Non-controlling interests ("NCI")		69,585	51,619	34.8
Profit for the period		287,850	212,877	35.2

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

(A) Revenue

The decrease was mainly attributable to the absence of a fair value gain of \$59.6 million arising from the change in use of Ascott Heng Shan Shanghai in 1Q 2015 and lower revenue recognition from the Group's development projects in Singapore and Vietnam. The decrease was partially mitigated by higher handover value from the development projects in China, as well as higher rental revenue from CapitaGreen and our serviced residence business. (Please see item 8 for details).

(B) Cost of Sales

The cost of sales increased in line with higher revenue from the development projects in China. In addition, the project costs for development projects in Singapore were relatively higher this quarter.

(C) Other Operating Income

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	Change (%)
Other Operating Income	111,562	17,548	535.8
Investment income	(i) 2,574	847	203.9
Interest income	11,025	10,657	3.5
Other income (including portfolio gains)	(ii) 5,392	6,044	(10.8)
Fair value gains of investment properties	(iii) 78,677	-	NM
Foreign exchange gain	(iv) 13,894	-	NM

- (i) Investment income increased due to distribution received from MRCB-Quill REIT.
- (ii) Other income for 1Q 2016 was lower mainly due to the absence of a gain recognised on the completion of the acquisition of the remaining stake in CL Township in 1Q 2015.
- (iii) The fair value gains of investment properties in 1Q 2016 arose from the divestment of the Group's interest in Somerset Zhongguancun (S) Pte. Ltd., which owns a serviced apartment located in Beijing, China ("Somerset ZhongGuanCun Beijing"). The transaction is expected to complete in 2Q 2016.
- (iv) The foreign exchange gain in 1Q 2016 arose mainly from the repayment of GBP bank loan and revaluation of RMB payables as the SGD has appreciated against the RMB during the quarter. In addition, the Group's subsidiaries in China also recorded foreign exchange gain from the revaluation of USD receivables as RMB depreciated against the USD in 1Q 2016.

(D) Administrative Expenses

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	Change (%)
Administrative Expenses	(92,079)	(93,563)	(1.6)
<u>Included in Administrative Expenses:-</u>			
Depreciation and amortisation	(16,599)	(17,499)	(5.1)
(Allowance)/Writeback of doubtful receivables and bad debts written off	(227)	1,498	NM

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were lower this quarter mainly due to lower staff costs, depreciation and operating lease expenses, partially offset by absence of a write back of allowance for doubtful receivables in 1Q 2015.

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

(E) Other Operating Expenses

The decrease in other operating expenses in 1Q 2016 was mainly due to absence of a loss of \$18.9 million arising from the dilution of Capitaland Commercial Trust's ("CCT") interest in MRCB-Quill REIT and foreign exchange losses of \$8.7 million in 1Q 2015.

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

The increase in share of results from associates in 1Q 2016 was mainly due to the recognition of a fair value gain of \$30.5 million which arose from the change in use of Raffles City Changning Tower 2 in 1Q 2016, from construction for sale to leasing as investment property. The Group commenced leasing activity for the property in 1Q 2016 and has achieved a committed occupancy rate of 34% as at 31 March 2016.

Share of results from joint ventures increased mainly due to the higher contribution from joint venture projects in China.

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

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

Included in 1Q 2016's tax expense was a write back of taxes provided in prior years of \$4.9 million mainly in respect of a past divestment (1Q 2015: \$5.4 million).

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

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

1Q 2016	PATMI (\$M)
Share of Central China Real Estate's ("CCRE") divestment gain	11.1
Mall in Graphite, India (accounted for in share of associate's results)	(8.4)
Others	0.2
Total Group's share of gain after tax & NCI for 1Q 2016	2.9
1Q 2015	
Share of CCRE's divestment gain	7.1
Loss on dilution of interest in MRCB-Quill REIT (based on Capitaland's effective share)	(6.0)
Others	0.8
Total Group's share of gain after tax & NCI for 1Q 2015	1.9

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1(a)(iii) Statement of Comprehensive Income

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	Change %
Profit for the period	287,850	212,877	35.2
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⁾	(263,743)	435,670	NM
Change in fair value of available-for-sale investments	3,292	267	NM
Effective portion of change in fair value of cash flow hedges ⁽²⁾	(96,206)	30,938	NM
Share of other comprehensive income of associates and joint ventures ⁽³⁾	(252,287)	(35,145)	617.8
Total other comprehensive income, net of tax	(608,944)	431,730	NM
Total comprehensive income	(321,094)	644,607	NM
Attributable to:			
Owners of the Company	(305,682)	534,975	NM
Non-controlling interests	(15,412)	109,632	NM
Total comprehensive income	(321,094)	644,607	NM

NM: Not meaningful

⁽¹⁾ 1Q 2016's exchange differences arose mainly from the appreciation of SGD against RMB and USD by 2.9% and 0.4% respectively, partially offset by the depreciation of SGD against MYR by 0.5%.

⁽²⁾ 1Q 2016's effective portion of change in fair value of cash flow hedges arose mainly from the mark-to-market losses of the Group's interest rate swaps and cross currencies swaps contracts which were entered into for hedging purpose.

⁽³⁾ The share of other comprehensive income of associates and joint ventures relate mainly to share of foreign currency translation reserve. 1Q 2016's share of exchange difference arose mainly from the appreciation of SGD against RMB by 2.9% and USD against RMB by 2.5%.

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1(b)(i) Balance Sheet

	Group			Company		
	31/03/2016 S\$'000	31/12/2015 S\$'000	Change %	31/03/2016 S\$'000	31/12/2015 S\$'000	Change %
Non-current assets						
Property, plant & equipment	787,209	808,331	(2.6)	20,995	14,391	45.9
Intangible assets	459,839	461,058	(0.3)	147	147	-
Investment properties	19,391,423	19,427,532	(0.2)	-	-	-
Subsidiaries	-	-	-	12,955,225	12,944,900	0.1
Associates & joint ventures	12,698,841	12,858,128	(1.2)	-	-	-
Other non-current assets	843,419	871,017	(3.2)	731	731	-
	34,180,731	34,426,066	(0.7)	12,977,098	12,960,169	0.1
Current assets						
Development properties for sale and stocks	6,788,318	6,936,309	(2.1)	-	-	-
Trade & other receivables ⁽¹⁾	1,300,394	1,424,438	(8.7)	371,319	398,489	(6.8)
Cash & cash equivalents ⁽²⁾	3,895,548	4,173,281	(6.7)	14,423	9,249	55.9
Other current assets	6,580	8,292	(20.6)	-	-	-
Assets held for sale ⁽³⁾	232,214	84,207	175.8	-	-	-
	12,223,054	12,626,527	(3.2)	385,742	407,738	(5.4)
Less: Current liabilities						
Trade & other payables ⁽⁴⁾	4,462,587	4,063,476	9.8	127,625	199,300	(36.0)
Short-term borrowings ⁽⁵⁾	1,383,676	2,246,370	(38.4)	184,250	184,250	-
Current tax payable	613,657	620,472	(1.1)	2,600	2,634	(1.3)
Liabilities held for sale ⁽³⁾	57,494	-	NM	-	-	-
	6,517,414	6,930,318	(6.0)	314,475	386,184	(18.6)
Net current assets	5,705,640	5,696,209	0.2	71,267	21,554	230.6
Less: Non-current liabilities						
Long-term borrowings	13,959,479	13,812,110	1.1	2,710,621	2,704,520	0.2
Other non-current liabilities	1,356,410	1,372,503	(1.2)	22,458	23,506	(4.5)
	15,315,889	15,184,613	0.9	2,733,079	2,728,026	0.2
Net assets	24,570,482	24,937,662	(1.5)	10,315,286	10,253,697	0.6
Representing:						
Share capital	6,309,496	6,309,289	0.0	6,309,496	6,309,289	0.0
Revenue reserves	10,511,258	10,305,191	2.0	3,864,257	3,817,479	1.2
Other reserves	768,436	1,290,826	(40.5)	141,533	126,929	11.5
Equity attributable to owners of the Company	17,589,190	17,905,306	(1.8)	10,315,286	10,253,697	0.6
Non-controlling interests	6,981,292	7,032,356	(0.7)	-	-	-
Total equity	24,570,482	24,937,662	(1.5)	10,315,286	10,253,697	0.6

Notes:

- The decrease was mainly due to the repayment of advances extended to associates and a joint venture.
- The cash balances as at 31 March 2016 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).
- On 5 February 2016, the Group announced the divestment of its interest in Somerset ZhongGuanCun Beijing. Accordingly, the assets and liabilities of Somerset ZhongGuanCun Beijing were reclassified as assets and liabilities held for sale and presented as current assets or current liabilities respectively in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations.
- The increase was mainly due to advances from an associate.
- The decrease was mainly due to settlement of short term borrowings in accordance with the repayment terms.

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

	Group	
	As at 31/03/2016 S\$'000	As at 31/12/2015 S\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	410,524	596,297
Unsecured	973,152	1,650,073
Sub-Total 1	1,383,676	2,246,370
<u>Amount repayable after one year:-</u>		
Secured	5,169,195	5,344,254
Unsecured	8,790,284	8,467,856
Sub-Total 2	13,959,479	13,812,110
Total Debt	15,343,155	16,058,480
Cash	3,895,548	4,173,281
Total Debt less Cash	11,447,607	11,885,199

As at 31 March 2016, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately \$3.80 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

	1Q 2016 \$'000	1Q 2015 \$'000
Cash Flows from Operating Activities		
Profit after taxation	287,850	212,877
Adjustments for :		
Amortisation and impairment of intangible assets	473	553
Allowance/(Write back) for:		
- Foreseeable losses	(11)	-
- Doubtful receivables	227	(1,498)
- Impairment on property, plant and equipment	10	446
Gain from bargain purchase	-	(1,239)
Share-based expenses	4,634	3,058
Net change in fair value of financial instruments	105	(1,424)
Depreciation of property, plant and equipment	16,312	17,131
Gain on disposal of property, plant and equipment	(13)	(107)
Net fair value (gain)/ loss from investment properties	(78,677)	29
Fair value gain arising from change in use of development projects	-	(59,576)
Loss on disposal/liquidation/dilution of equity investments and other financial assets	5,163	18,610
Share of results of associates and joint ventures	(165,127)	(125,555)
Interest expense	118,799	118,105
Interest income	(11,025)	(10,657)
Taxation	51,586	50,567
	(57,544)	8,443
Operating profit before working capital changes	230,306	221,320
Changes in working capital		
Trade and other receivables	(23,502)	(144,354)
Development properties for sale	24,211	16,350
Trade and other payables	188,951	(64,666)
Restricted bank deposits	4,145	(7,923)
	193,805	(200,593)
Cash generated from operations	424,111	20,727
Income tax paid	(31,591)	(24,221)
Net cash generated from/ (used in) Operating Activities	392,520	(3,494)
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	300	486
Purchase of property, plant and equipment	(22,084)	(8,199)
Advances from/ Repayment of loans by associates and joint ventures	357,638	93,636
Deposits placed for investments	(22,247)	(48,456)
Deposit received for disposal of a subsidiary	31,544	-
Acquisition/ Development expenditure of investment properties	(134,776)	(68,507)
Proceed from disposal of other financial assets	5,578	-
Dividends received from associates and joint ventures	81,385	54,292
Acquisition of subsidiaries, net of cash acquired	(7,759)	(22,646)
Settlement of hedging instruments	1,140	(7,815)
Interest income received	8,338	8,827
Net cash generated from Investing Activities	299,057	1,618

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

	1Q 2016 \$'000	1Q 2015 \$'000
Cash Flows from Financing Activities		
Proceeds from issue of shares under share option plan	105	2,048
Contributions from non-controlling interests	99,589	-
Advance to shareholder loans from non-controlling interests	(5,105)	(18,623)
Payment for acquisition of ownership interests in subsidiaries with no change in control	(4,599)	-
Proceeds from bank borrowings	691,607	918,580
Repayments of bank borrowings	(1,665,950)	(501,306)
Proceeds from issue of debt securities	222,450	100,000
Repayments of debt securities	-	(77,750)
Repayments of finance lease payables	(731)	(689)
Dividends paid to non-controlling interests	(143,048)	(133,170)
Interest expense paid	(106,727)	(128,774)
Bank deposits pledged for bank facility	(2,972)	(4,703)
Net cash (used in)/ generated from Financing Activities	(915,381)	155,613
Net (decrease)/ increase in cash and cash equivalents	(223,804)	153,737
Cash and cash equivalents at beginning of the period	4,153,302	2,706,073
Effect of exchange rate changes on cash balances held in foreign currencies	(49,920)	39,845
Cash and cash equivalents reclassified to asset held for sale	(2,836)	-
Cash and cash equivalents at end of the period	3,876,742	2,899,655
Restricted cash deposits	18,806	55,950
Cash and cash equivalents in the Balance Sheet	3,895,548	2,955,605

Cash and cash equivalents at end of the period

The cash and cash equivalents of about \$3,895.5 million as at 31/03/2016 included \$2,154.4 million in fixed deposits and \$398.3 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

Cash flows analysis
1Q 2016 vs 1Q 2015

In 1Q 2016, the Group generated a net cash of \$392.5 million from its operating activities as compared to a net outflow of \$3.5 million in 1Q 2015. This is mainly attributable to higher collections from development projects in China and absence of a tender deposit placed in Singapore in 1Q 2015.

Net cash generated from investing activities increased from \$1.6 million in 1Q 2015 to \$299.1 million in the current quarter mainly due to higher advances from/repayment of loans by associates and joint ventures.

Net cash used in financing activities for the quarter was \$915.4 million. This was due mainly to repayment of bank borrowings in accordance with the repayment terms, partially offset by proceeds raised through a private placement by Ascott Residence Trust, recorded as contribution from non-controlling interests.

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

For the period ended 31/03/2016 vs 31/03/2015 – Group

	Share Capital S\$'000	Revenue Reserves S\$'000	Other Reserves* S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
Balance as at 01/01/2016	6,309,289	10,305,191	1,290,826	17,905,306	7,032,356	24,937,662
Total comprehensive income						
Profit for the period		218,265		218,265	69,585	287,850
<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			(209,526)	(209,526)	(54,217)	(263,743)
Change in fair value of available-for-sale investments			1,544	1,544	1,748	3,292
Effective portion of change in fair value of cash flow hedges			(63,678)	(63,678)	(32,528)	(96,206)
Share of other comprehensive income of associates and joint ventures			(252,287)	(252,287)	-	(252,287)
Total other comprehensive income, net of income tax	-	-	(523,947)	(523,947)	(84,997)	(608,944)
Total comprehensive income	-	218,265	(523,947)	(305,682)	(15,412)	(321,094)
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
Contributions from non-controlling interests (net)				-	99,229	99,229
Dividends paid/payable		-		-	(149,508)	(149,508)
Distribution attributable to perpetual securities issued by a subsidiary		(2,092)		(2,092)	2,092	-
Reclassification of equity compensation reserve		11,225	(11,225)	-	-	-
Share-based payments			4,548	4,548	34	4,582
Total contributions by and distributions to owners	207	9,133	(6,677)	2,663	(48,153)	(45,490)
<u>Changes in ownership interests in subsidiaries and other capital transactions</u>						
Changes in ownership interests in subsidiaries with no change in control		(13,787)	1,685	(12,102)	12,102	-
Share of reserves of associates and joint ventures		(12,733)	12,475	(258)	-	(258)
Others		5,189	(5,926)	(737)	399	(338)
Total changes in ownership interests in subsidiaries and other capital transactions	-	(21,331)	8,234	(13,097)	12,501	(596)
Total transactions with owners	207	(12,198)	1,557	(10,434)	(35,652)	(46,086)
Balance as at 31/03/2016	6,309,496	10,511,258	768,436	17,589,190	6,981,292	24,570,482

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

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

For the period ended 31/03/2016 vs 31/03/2015 – Group (cont'd)

	Share Capital S\$'000	Revenue Reserves S\$'000	Other Reserves* S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
Balance as at 01/01/2015	6,304,146	9,616,503	837,353	16,758,002	6,450,529	23,208,531
Total comprehensive income						
Profit for the period		161,258		161,258	51,619	212,877
<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			384,395	384,395	51,275	435,670
Change in fair value of available-for-sale investments			267	267	-	267
Effective portion of change in fair value of cash flow hedges			24,889	24,889	6,049	30,938
Share of other comprehensive income of associates and joint ventures			(35,834)	(35,834)	689	(35,145)
Total other comprehensive income, net of income tax	-	-	373,717	373,717	58,013	431,730
Total comprehensive income	-	161,258	373,717	534,975	109,632	644,607
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	2,159			2,159	-	2,159
Redemption of convertible bonds		494	(494)	-	-	-
Dividends paid/payable				-	(139,914)	(139,914)
Distribution attributable to perpetual securities issued by a subsidiary		(846)		(846)	846	-
Reclassification of equity compensation reserve		19,102	(19,102)	-	-	-
Share-based payments			2,618	2,618	(28)	2,590
Total contributions by and distributions to owners	2,159	18,750	(16,978)	3,931	(139,096)	(135,165)
<u>Changes in ownership interests in subsidiaries and other capital transactions</u>						
Changes in ownership interests in subsidiaries with change in control		1,068	(1,068)	-	155,887	155,887
Changes in ownership interests in subsidiaries with no change in control		(5,093)	4,779	(314)	314	-
Share of reserves of associates and joint ventures		(9,823)	(4,735)	(14,558)	-	(14,558)
Others		(2,136)	2,091	(45)	(583)	(628)
Total changes in ownership interests in subsidiaries and other capital transactions	-	(15,984)	1,067	(14,917)	155,618	140,701
Total transactions with owners	2,159	2,766	(15,911)	(10,986)	16,522	5,536
Balance as at 31/03/2015	6,306,305	9,780,527	1,195,159	17,281,991	6,576,683	23,858,674

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

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

For the period ended 31/03/2016 vs 31/03/2015 – 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 01/01/2016	6,309,289	3,817,479	(72,720)	162,277	37,372	10,253,697
Total comprehensive income						
Profit for the period		40,807				40,807
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	207					207
Issue of treasury shares			21,786		(2,933)	18,853
Share-based payments					1,722	1,722
Reclassification of equity compensation reserve		5,971			(5,971)	-
Total transactions with owners	207	5,971	21,786	-	(7,182)	20,782
Balance as at 31/03/2016	6,309,496	3,864,257	(50,934)	162,277	30,190	10,315,286
Balance as at 01/01/2015	6,304,146	3,250,086	(36,989)	287,245	46,348	9,850,836
Total comprehensive income						
Profit for the period		25,836				25,836
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	2,159					2,159
Issue of treasury shares			19,550		1,287	20,837
Redemption of convertible bonds		572		(572)		-
Share-based payments					769	769
Reclassification of equity compensation reserve		18,612			(18,612)	-
Total transactions with owners	2,159	19,184	19,550	(572)	(16,556)	23,765
Balance as at 31/03/2015	6,306,305	3,295,106	(17,439)	286,673	29,792	9,900,437

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

Issued Share Capital

As at 31 March 2016, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,255,931,180 (31 December 2015: 4,247,973,707) ordinary shares. Movements in the Company's issued and fully paid-up share capital were as follows:

	<u>No. of Shares</u>
As at 01/01/2016	4,247,973,707
Treasury shares transferred pursuant to employee share plans	7,892,591
Issue of new shares under Share Option Plans	64,882
As at 31/03/2016	<u>4,255,931,180</u>

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Outstanding Options under CapitaLand Share Option Plan

	<u>No. of Shares</u>
As at 01/01/2016	3,821,540
Exercised	(64,882)
Lapsed/Cancelled	(3,348,772)
As at 31/03/2016	<u>407,886</u>

Performance Share Plan

As at 31 March 2016, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 7,002,722 (31 March 2015: 7,454,639).

Under the PSP, the final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released. For awards granted in 2013, the maximum is 175 percent of the baseline award. For awards granted in 2014 and 2015, the maximum is 170 percent and 200 percent of the baseline award, respectively. There is no vesting period for shares released under the PSP.

Restricted Stock/Share Plan

As at 31 March 2016, the number of shares comprised in contingent awards granted under the restricted share plan ("RSP") in respect of which the final number of shares has been determined but not released, is 9,819,609 (31 March 2015: 9,156,484), of which 1,048,996 (31 March 2015: 691,407) shares 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 March 2016:

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

There has been no conversion of any of the above convertible bonds since the date of their respective issue.

Assuming all the convertible bonds are fully converted based on their respective conversion prices, the number of new ordinary shares to be issued would be 541,741,484 (31 March 2015: 569,737,137) representing a 12.7% increase over the total number of issued shares (excluding treasury shares) of the Company as at 31 March 2016.

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1(d)(iii) Treasury Shares

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

	<u>No of Shares</u>
As at 01/01/2016	26,345,157
Treasury shares transferred pursuant to employee share plans	(7,892,591)
As at 31/03/2016	<u>18,452,566</u>

The number of treasury shares held by the Company represents 0.4% of the total number of issued shares (excluding treasury shares) as at 31 March 2016.

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

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

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

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2015, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2016 as follows:

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

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

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

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

		Group	
		1Q 2016	1Q 2015
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)	5.1	3.8
	Weighted average number of ordinary shares (in million)	4,250.6	4,261.5
6(b)	EPS based on fully diluted basis (in cents)	4.9	3.7
	Weighted average number of ordinary shares (in million)	4,755.3	4,634.5

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

	Group		Company	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
NAV per ordinary share	\$4.13	\$4.21	\$2.42	\$2.41
NTA per ordinary share	\$4.02	\$4.11	\$2.42	\$2.41

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8 Review of the Group's performance

Group Overview

S\$M	1Q 2016	1Q 2015	Variance (%)
Revenue	894.2	915.0	(2.3)
Earnings before Interest and Tax ("EBIT")	458.2	381.5	20.1
Finance costs	(118.8)	(118.1)	0.6
Profit Before Taxation	339.4	263.4	28.8
Total PATMI	218.3	161.3	35.4
Comprising:			
Operating PATMI ⁽¹⁾	152.8	155.3	(1.6)
Portfolio gains	2.9	1.9	52.6
Revaluation gains and impairments	62.6	4.1	NM

⁽¹⁾ Operating PATMI for 1Q 2016 included fair value gain of \$30.5 million (1Q 2015: \$44.7 million) which arose from the change in use of a development project in China, Raffles City Changning Tower 2 (1Q 2015: Ascott Heng Shan Shanghai), from construction for sale to leasing as an investment property. The project is located at a prime location in Shanghai and the Group has changed its business plan to hold the project for long term use as investment property.

1Q 2016 vs 1Q 2015

For the quarter under review, the Group achieved a revenue of \$894.2 million and a PATMI of \$218.3 million.

Revenue

Revenue decreased by 2.3% mainly attributable to the absence of a fair value gain of \$59.6 million arising from the change in use of Ascott Heng Shan Shanghai in 1Q 2015 and lower revenue recognition from the Group's development projects in Singapore and Vietnam. This decrease was partially mitigated by higher handover value from the development projects in China, namely The Paragon and New Horizon in Shanghai, as well as higher rental revenue from CapitaGreen and our serviced residence business.

Collectively, the two core markets of Singapore and China accounted for 77.4% (1Q 2015: 78.9%) of the Group's revenue.

EBIT

The Group achieved an EBIT of \$458.2 million in 1Q 2016 (1Q 2015: \$381.5 million). The increase was mainly attributable to investment properties fair value gains of \$83.6 million (1Q 2015: \$6.3 million) which arose mainly from the divestment of Somerset ZhongGuanCun Beijing, improved contribution from CapitaGreen, shopping malls and development projects in China, as well as lower divestment losses. The increase was partially offset by the lower fair value gain arising from the change in use of properties.

At EBIT level, the portfolio loss in 1Q 2016 of \$1.6 million (1Q 2015: \$11.0 million) arose mainly from the realisation of foreign currency translation losses on divestment/liquidation of investments in India and Japan, partially mitigated by share of divestment gains from an associate in China.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 86.1% of total EBIT (1Q 2015: 84.3%). Singapore EBIT was \$167.4 million or 36.5% of total EBIT (1Q 2015: \$198.8 million or 52.1%) while China EBIT was \$227.3 million or 49.6% of total EBIT (1Q 2015: \$123.0 million or 32.2%).

Singapore EBIT decreased due to lower development profit and share of contribution from Bedok Mall which was divested to CapitaLand Mall Trust ("CMT") in 4Q 2015. EBIT from China increased on account of the fair value gain arising from the divestment of Somerset ZhongGuanCun Beijing as well as higher contribution from development projects and shopping malls.

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Finance Costs

Finance costs for 1Q 2016 were comparable to the corresponding period last year. The average cost of borrowings in 1Q 2016 was 3.5% (1Q 2015: 3.4%).

PATMI

Overall, the Group achieved a PATMI of \$218.3 million in 1Q 2016, which was 35.4% higher than 1Q 2015. The higher PATMI was mainly attributable to the fair value gain arising from the divestment of Somerset ZhongGuanCun Beijing.

The Group's operating PATMI for 1Q 2016 was \$152.8 million, 1.6% lower than the same quarter last year. Excluding the fair value gain from change in use of properties for both periods, operating PATMI grew by 10.6% in 1Q 2016 on account of higher contribution from development projects in China, CapitaGreen, shopping malls and serviced residences businesses.

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Segment Performance

CL Singapore

S\$M	1Q 2016	1Q 2015	Variance (%)
Revenue	281.3	343.8	(18.2)
EBIT	98.1	100.0	(1.9)

In 1Q 2016, CL Singapore sold 222 residential units (1Q 2015: 69 units) with a total sales value of \$ 506 million (1Q 2015: \$197 million).

The lower revenue for 1Q 2016 was mainly due to absence of contribution from Bedok Residences and lower contribution from Sky Habitat as both projects obtained temporary occupation permit in 2Q 2015, as well as lower sales from Urban Resort Condominium and Marine Blue. The decline was partially mitigated by commencement of revenue recognition for Cairnhill Nine, higher sales for The Interlace, and rental income from CapitaGreen.

EBIT for 1Q 2016 decreased in line with lower residential sales and project margins, but mitigated by the absence of dilution loss arising from CCT's interest in MRCB-Quill REIT in Malaysia last year.

CL China

S\$M	1Q 2016	1Q 2015	Variance (%)
Revenue	195.9	203.7	(3.8)
EBIT	88.4	88.4	(0.0)

In 1Q 2016, CL China sold 3,377 units with a sales value of RMB4.5 billion or approximately \$1 billion (1Q 2015: 1,306 units; RMB 2.2 billion). The sales were mainly from The Metropolis in Kunshan, International Trade Centre in Tianjin, Dolce Vita in Guangzhou, One iPark in Shenzhen, New Horizon in Shanghai, La Botanica in Xian and Century Park in Chengdu.

In 1Q 2016, CL China handed over 773 units to home buyers (1Q 2015: 1,109 units). The units handed over were mainly from completion of a block from Dolce Vita in Guangzhou (24 units), as well as sales and handover of completed units from The Paragon in Shanghai, Lake Botanica in Shenyang and New Horizon in Shanghai.

1Q 2016 revenue was higher than 1Q 2015 (excluding the one-off items), mainly due to higher value from handover units. Revenue in 1Q 2015 included a fair value gain of \$59.6 million recognised from the change in use of development property, Ascott Heng Shan Shanghai, to investment property.

EBIT in 1Q 2016 was in line with the previous corresponding period, as the higher contribution from residential projects and foreign exchange gain on revaluation of RMB payables were offset by lower fair value gain arising from the change in use of property.

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CMA

S\$M	1Q 2016	1Q 2015	Variance (%)
Revenue	147.2	181.5	(18.9)
EBIT	145.2	136.7	6.2

The lower revenue for 1Q 2016 was largely due to the absence of revenue recognition from Bedok Residences and the loss of contribution from Bedok Mall which was divested to CMT in 4Q 2015. This was partially buffered by new contribution from CapitaMall Sky+ which opened in December 2015 as well as malls acquired in 3Q 2015, namely Tropicana City in Malaysia and Vivit Minami-Funabashi in Japan.

EBIT for 1Q 2016 was 6.2% higher than 1Q 2015 mainly due to better performance from the portfolio of malls in China and Singapore, partially offset by portfolio loss arising from the divestment of a property under India Fund.

Ascott

S\$M	1Q 2016	1Q 2015	Variance (%)
Revenue	256.8	167.2	53.6
EBIT	127.7	46.4	175.0

In 1Q 2016, Ascott extended its global footprint to secondary cities of Bandung in Indonesia, Penang and Shah Alam in Malaysia and Nha Trang in Vietnam by securing 4 contracts to manage its first serviced residences in these new cities. In addition, Ascott also secured contracts to manage 3 other properties in Thailand, China and Malaysia and was awarded a lease to operate a property in Fusionopolis, part of the one-north business park in Singapore.

Ascott unveiled a new Tujia Somerset brand of serviced residences to be managed by Ascott's joint venture with Tujia.com International in China. The joint venture has secured contracts to manage six serviced residences to be operated under Tujia Somerset brand, giving a significant boost of about 1,000 units to Ascott's portfolio in China.

Ascott Reit announced the acquisition of its second property in United States of America for a consideration of US\$158 million. The transaction is expected to be completed in 2Q 2016.

As part of ongoing strategy to enhance capital productivity and recycling, Ascott has announced the divestment of Somerset ZhongGuanCun Beijing in China. The transaction is expected to be completed in 2Q 2016.

Revenue for 1Q 2016 was higher mainly due to Ascott's proportionate share of sales of residential units from Cairnhill Nine project in Singapore which Ascott owns a 50% stake as well as contribution from properties acquired in 2015.

EBIT for 1Q 2016 was higher on account of higher revenue as well as fair value gain from Somerset ZhongGuanCun Beijing.

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Corporate and Others

S\$M	1Q 2016	1Q 2015	Variance (%)
Revenue	13.0	18.7	(30.7)
EBIT	(1.2)	10.0	NM

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

In 1Q 2016, CapitaLand Vietnam sold 240 residential units (1Q 2015: 90 units) with a sales value of \$36.0 million (1Q 2015: \$18.0 million), and handed over 28 units to home buyers (1Q 2015: 54 units). The units handed over were mainly from The Vista.

The lower revenue in 1Q 2016 was attributable to lower number of units being handed over to buyers for projects in Vietnam.

EBIT for 1Q 2016 was lower mainly due to absence of portfolio gains and foreign exchange loss as compared to a gain in 1Q 2015.

9 Variance from Prospect Statement

The current results are broadly in line with the prospect statement made when the fourth quarter 2015 financial results were announced.

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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

Singapore

The Group expects the impact of the property cooling measures to continue to weigh on the market. In 1Q 2016, the Group launched Cairnhill Nine project and has sold 193 out of the 268 units as at 14 April 2016. The Nassim and Victoria Park Villas will be launch-ready in 1H 2016.

The outlook for office occupancy and rental is expected to remain muted. As at 31 March 2016, CCT's total portfolio committed occupancy stood at 98.1%.

The performance of our portfolio of malls in Singapore is supported by their connections to the public transportation networks and locations in either large population catchments or within popular shopping and tourist destinations. These malls are expected to continue to provide a stable recurring income.

China

Residential sales performance in China is expected be on-track for the rest of 2016 despite the recent cooling measures imposed in Shanghai and Shenzhen. The Group continues to target first-time buyers and up-graders. For the next nine months, the Group has over 5,000 launch-ready units and is expected to complete over 9,000 units.

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

The Group's malls in China are expected to benefit from the Chinese government's commitment to rebalance its economy by driving domestic consumption. The Group will continue to focus on driving performance and improving the net property income of existing malls.

Serviced Residence

CapitaLand continues to grow Ascott's global platform with the extended stay business model and well-diversified global presence.

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

Other Growth Platforms

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

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11 Dividend

- 11(a) Any dividend declared for the present financial period?** No.
11(b) Any dividend declared for the previous corresponding period? No.
11(c) Date payable : Not applicable.
11(d) Books closing date : Not applicable.

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

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

13 Interested Person Transactions

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company (comprising the balance sheet, consolidated income statement, statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 31 March 2016 and for the three months ended on that date, to be false or misleading in any material aspect.

On behalf of the Board

Ng Kee Choe
Chairman

Lim Ming Yan
Director

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15 Segmental Revenue and Results

15(a) By Strategic Business Units (SBUs) – 1Q 2016 vs 1Q 2015

	Revenue			Earnings before interest & tax		
	1Q 2016 S\$'000	1Q 2015 S\$'000	Variance %	1Q 2016 S\$'000	1Q 2015 S\$'000	Variance %
CapitaLand Singapore ⁽¹⁾	281,315	343,845	(18.2)	98,122	99,973	(1.9)
CapitaLand China	195,870	203,700	(3.8)	88,389	88,433	(0.0)
CapitaLand Mall Asia	147,228	181,514	(18.9)	145,245	136,708	6.2
Ascott	256,783	167,199	53.6	127,727	46,447	175.0
Corporate and Others ⁽²⁾	12,979	18,739	(30.7)	(1,248)	9,988	NM
Total	894,175	914,997	(2.3)	458,235	381,549	20.1

Note : ⁽¹⁾ Includes residential business in Malaysia.

⁽²⁾ Includes Storhub and other businesses in Vietnam, Indonesia, Japan and GCC.

15(b) By Geographical Location – 1Q 2016 vs 1Q 2015

	Revenue			Earnings before interest & tax		
	1Q 2016 S\$'000	1Q 2015 S\$'000	Variance %	1Q 2016 S\$'000	1Q 2015 S\$'000	Variance %
Singapore	424,180	443,958	(4.5)	167,391	198,843	(15.8)
China ⁽¹⁾	268,103	277,716	(3.5)	227,343	122,987	84.9
Other Asia ⁽²⁾	116,155	116,014	0.1	48,013	42,558	12.8
Europe & Others ⁽³⁾	85,737	77,309	10.9	15,488	17,161	(9.7)
Total	894,175	914,997	(2.3)	458,235	381,549	20.1

Note : ⁽¹⁾ China including Hong Kong.

⁽²⁾ Excludes Singapore and China and includes projects in GCC.

⁽³⁾ Includes Australia and USA.

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- 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.

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

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
20 April 2016

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