CAPITALAND LIMITED

(Registration Number : 198900036N)

2015 SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT

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CapitaLand

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1(a)(i) Income Statement

		Group					
	Note	2Q 2015 S$'000	2Q 2014 S$'000	Change %	1H 2015 S$'000	1H 2014 S$'000	Change %
Continuing operations							
Revenue	**A**	**1,031,314**	**875,290**	**17.8**	**1,946,311**	**1,487,862**	**30.8**
Cost of sales		(636,854)	(574,110)	10.9	(1,190,157)	(853,317)	39.5
Gross profit		394,460	301,180	31.0	756,154	634,545	19.2
Other operating income	B	360,527	241,182	49.5	377,318	288,566	30.8
Administrative expenses	C	(98,898)	(106,964)	(7.5)	(192,461)	(199,974)	(3.8)
Other operating expenses	D	(17,212)	(10,425)	65.1	(46,140)	(19,120)	141.3
Profit from continuing operations		638,877	424,973	50.3	894,871	704,017	27.1
Finance costs		(121,741)	(107,957)	12.8	(239,846)	(219,550)	9.2
Share of results (net of tax) of:	E						
- associates		153,592	228,461	(32.8)	239,299	348,846	(31.4)
- joint ventures		82,616	146,255	(43.5)	122,464	166,308	(26.4)
		236,208	374,716	(37.0)	361,763	515,154	(29.8)
Profit before taxation from continuing operations		753,344	691,732	8.9	1,016,788	999,621	1.7
Taxation	F	(143,810)	(62,937)	128.5	(194,377)	(115,350)	68.5
Profit for the period from continuing operations		609,534	628,795	(3.1)	822,411	884,271	(7.0)
Discontinued operation							
Profit from discontinued operation, net of tax		-	-	-	-	35,359	(100.0)
Profit for the period		609,534	628,795	(3.1)	822,411	919,630	(10.6)
Attributable to:							
Owners of the Company ("PATMI")							
- from continuing operations		464,000	438,720	5.8	625,258	586,143	6.7
- from discontinued operation		-	-	-	-	35,359	(100.0)
Total PATMI		**464,000**	**438,720**	**5.8**	**625,258**	**621,502**	**0.6**
Non-controlling interests ("NCI")		145,534	190,075	(23.4)	197,153	298,128	(33.9)
Profit for the period		609,534	628,795	(3.1)	822,411	919,630	(10.6)

Note:

Discontinued operation consists of profit contribution from Australand as well as gain from sale of 39.1% stake in Australand of $19.1 million in 1H 2014.

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2015 vs 2Q 2014

(A) Revenue

The increase was mainly attributable to higher contribution from development projects in China as well as higher rental revenue from shopping mall and serviced residence businesses, partially offset by lower revenue from development projects in Singapore and Vietnam. The higher revenue from China was mainly attributable to the consolidation of CL Township as it became a subsidiary of the Group in March 2015 and a fair value gain of $148.4 million arising from the change in use of a development project in China, The Paragon (Tower 5 and 6). This project is located at prime location in Shanghai and the Group has changed its business plan for the 2 towers from strata-sale to corporate leasing as investment property. The response to the corporate leasing has been encouraging with approximately 41% occupancy as at 30 June 2015. (Please see item 8 for details).

The increase in cost of sales was a result of provision for foreseeable losses of $63.6 million (2Q 2014: write back of $9.0 million) in respect of a development project in China, International Trade Centre, due to challenging market conditions in Tianjin.

(B) Other Operating Income

		Group		
		2Q 2015 S$'000	2Q 2014 S$'000	Change (%)
Other Operating Income		**360,527**	**241,182**	**49.5**
Investment income		1,016	620	63.8
Interest income	(i)	10,066	14,223	(29.2)
Other income (including portfolio gains)	(ii)	8,395	18,019	(53.4)
Fair value gains of investment properties	(iii)	322,400	208,320	54.8
Foreign exchange gain		728	-	NM
Gain on repurchase of convertible bonds	(iv)	17,922	-	NM

(i) Interest income decreased due to lower placement of surplus funds with financial institutions as well as lower amount of interest bearing loans extended to associates.

(ii) Other income was lower due to the absence of portfolio gains of $5.6 million mainly from the divestment of the entire 10% interest in The Waterside, Hong Kong in 2Q 2014.

(iii) The net fair value gains in respect of investment properties held through subsidiaries were higher in 2Q 2015 as properties in Singapore, China and Japan registered higher revaluation gains.

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)).

(iv) The gain of $17.9 million arose from the refinancing of debt obligations from existing convertible bonds (CB) with new CB and some buyback of CB. The gain arose as the consideration paid was lower than the book value of the CB that was repurchased. This is part of the Group's initiative to lengthen its debt maturity and reduce future interest expense as the new CB was issued at a lower coupon rate.

1(a)(ii) Explanatory Notes to Income Statement – 2Q 2015 vs 2Q 2014

(C) Administrative Expenses

	Group		
	2Q 2015 S$'000	2Q 2014 S$'000	Change (%)
Administrative Expenses	**(98,898)**	**(106,964)**	**(7.5)**
Included in Administrative Expenses:-			
Depreciation and amortisation	(17,967)	(16,596)	8.3
Allowance for doubtful receivables and bad debts written off	(155)	(81)	92.8

Administrative expenses comprised staff costs, depreciation, operating lease expenses and other miscellaneous expenses. The expenses were lower mainly due to lower staff costs and professional fees, partially offset by higher depreciation.

(D) Other Operating Expenses

The increase in other operating expenses in 2Q 2015 was due to a net divestment loss of $15.4 million which arose mainly from the realisation of foreign currency translation reserves following the divestment of a mall in Japan. This was partially mitigated by the absence of a foreign exchange loss of $8.5 million in 2Q 2014.

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

The lower share of results from associates in 2Q 2015 was mainly due to the lower net fair value gains from revaluation of investment properties in Singapore and China as well as lower contribution of completed projects, namely The Loft and Imperial Bay.

The share of results from joint ventures decreased mainly due to lower fair value gains from revaluation of investment properties and lower handover of units from Dolce Vita project in China.

(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 mainly due to higher taxes being provided for the revaluation of properties in China and Singapore. Included in 2Q 2015's tax expense was a provision of $4.8 million in respect of prior years (2Q 2014: write back of $6.4 million).

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

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

2Q 2015	**PATMI (S$M)**
Vivit Minami Funabashi, Japan	(13.6)
Ascott Beijing	4.9
Others	(2.1)
Total Group's share of loss after tax & NCI for 2Q 2015	**(10.8)**

2Q 2014	
10% interest in The Waterside, Hong Kong	3.0
Others	1.8
Total Group's share of gain after tax & NCI for 2Q 2014	**4.8**

1(a)(iii) Statement of Comprehensive Income

	Group					
	2Q 2015 S$'000	2Q 2014 S$'000	Change %	1H 2015 S$'000	1H 2014 S$'000	Change %
Profit for the period	609,534	628,795	(3.1)	822,411	919,630	(10.6)
Other comprehensive income:						
Items that are/may be reclassified subsequently to profit or loss						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations (1)	(103,591)	(111,435)	(7.0)	332,079	(10,100)	NM
Change in fair value of available-for-sale investments	(4,102)	(2,532)	62.0	(3,835)	(2,360)	62.5
Effective portion of change in fair value of cash flow hedges	(26,853)	610	NM	4,085	(1,173)	NM
Share of other comprehensive income of associates and joint ventures	48,601	(61,723)	NM	13,456	(8,213)	NM
Total other comprehensive income, net of tax	(85,945)	(175,080)	(50.9)	345,785	(21,846)	NM
Total comprehensive income	523,589	453,715	15.4	1,168,196	897,784	30.1
Attributable to:						
Owners of the Company	**408,800**	**283,085**	**44.4**	**943,775**	**596,042**	**58.3**
Non-controlling interests	114,789	170,630	(32.7)	224,421	301,742	(25.6)
Total comprehensive income	523,589	453,715	15.4	1,168,196	897,784	30.1

NM: Not meaningful

(1) *2Q 2015's exchange differences arose mainly from the appreciation of SGD against USD and MYR by 0.7% and 2.3% respectively.*

1H 2015's exchange differences arose mainly from the depreciation of SGD against USD and RMB by 3.6% and 2.6% respectively.

1(b)(i) Balance Sheet

	Group			Company		
	30/06/2015 S$'000	31/12/2014 S$'000	Change %	30/06/2015 S$'000	31/12/2014 S$'000	Change %
Non-current assets						
Property, plant & equipment	1,022,338	1,047,356	(2.4)	16,156	17,646	(8.4)
Intangible assets	462,252	462,970	(0.2)	147	147	-
Investment properties[(1),(7)]	17,694,917	17,149,198	3.2	-	-	-
Subsidiaries	-	-	-	12,630,540	12,806,301	(1.4)
Associates & joint ventures[(2)]	12,821,901	12,780,860	0.3	-	-	-
Other non-current assets[(3)]	1,197,991	1,092,899	9.6	1,370	1,370	-
	33,199,399	**32,533,283**	**2.0**	**12,648,213**	**12,825,464**	**(1.4)**
Current assets						
Development properties for sale and stocks[(1),(2),(4)]	*7,115,198*	*7,673,651*	*(7.3)*	-	-	-
Trade & other receivables[(2),(5)]	*1,528,824*	*963,445*	*58.7*	*276,632*	*341,427*	*(19.0)*
Cash & cash equivalents[(6)]	*3,495,171*	*2,749,397*	*27.1*	*10,326*	*10,753*	*(4.0)*
Other current assets	*3,763*	*2,309*	*63.0*	-	-	-
Assets held for sale[(7)]	883,548	*191,403*	*361.6*	-	-	-
	13,026,504	**11,580,205**	**12.5**	**286,958**	**352,180**	**(18.5)**
Less: Current liabilities						
Trade & other payables[(2)]	*3,505,331*	*3,069,874*	*14.2*	*105,784*	*53,945*	96.1
Short-term borrowings[(7)]	*3,362,854*	*3,469,159*	*(3.1)*	*106,182*	*7,669*	NM
Current tax payable	*447,564*	*463,012*	*(3.3)*	*2,696*	*8,459*	(68.4)
Liabilities held for sale[(7)]	*348,785*	-	*NM*	-	-	-
	7,664,534	**7,002,045**	**9.5**	**214,662**	**70,073**	**206.3**
Net current assets	**5,361,970**	**4,578,160**	**17.1**	**72,296**	**282,107**	**(74.4)**
Less: Non-current liabilities						
Long-term borrowings[(2),(8)]	12,860,259	12,516,659	2.7	2,876,434	3,226,447	(10.8)
Other non-current liabilities[(2),(9)]	1,501,921	1,386,253	8.3	26,273	30,288	(13.3)
	14,362,180	**13,902,912**	**3.3**	**2,902,707**	**3,256,735**	**(10.9)**
Net assets	**24,199,189**	**23,208,531**	**4.3**	**9,817,802**	**9,850,836**	**(0.3)**
Representing:						
Share capital	6,309,209	6,304,146	0.1	6,309,209	6,304,146	0.1
Revenue reserves	9,902,231	9,616,503	3.0	3,320,315	3,250,086	2.2
Other reserves	1,043,261	837,353	24.6	188,278	296,604	(36.5)
Equity attributable to owners of the Company	17,254,701	16,758,002	3.0	9,817,802	9,850,836	(0.3)
Non-controlling interests	6,944,488	6,450,529	7.7	-	-	-
Total equity	**24,199,189**	**23,208,531**	**4.3**	**9,817,802**	**9,850,836**	**(0.3)**

Notes:

1. *The increase was mainly due to the reclassification of development properties for sale to investment properties following the change in use (The Paragon Tower 5 and 6 and Ascott Heng Shan), fair value gains, as well as ongoing development expenditure for properties under construction mainly in China. The increase was partly offset by the reclassification of Bedok Mall to assets held for sale as mentioned under Note 7.*

2. *Following the completion of the acquisition of the remaining 60% interest in CapitaLand Township Pte Ltd ("CL Township") on 16 March 2015, CL Township, previously accounted for as an associate, became a wholly owned subsidiary of the Group. The consolidation of CL Township increased the Group's joint ventures, development properties for sale, trade and other receivables, trade and other payables, long-term borrowings and other non-current liabilities.*

3. *The increase was mainly due to the reclassification of Quill Capita Trust ('QCT') from interest in associates to other non-current assets following the dilution of CCT's interest in QCT from 30% to 17.7% as well as additional deposit paid for a shopping mall in China.*

4. *The decrease was also due to the completion of Sky Habitat and Bedok Residences in 2Q 2015.*

5. *The increase was mainly due to remaining sales consideration receivable for Sky Habitat and Bedok Residences, which obtained TOP during the quarter.*

6. *The cash balances as at 30 June 2015 included $0.65 billion held at CapitaLand Limited and its treasury vehicles (comprising CapitaLand Treasury Limited, CapitaMalls Asia Treasury Limited and The Ascott Capital Pte Ltd).*

7. *On 14 July 2015, the Group announced the divestment of its interest in Bedok Mall through the divestment of all the units of Brilliance Mall Trust ("BMT") to CapitaLand Mall Trust. Accordingly, the assets and liabilities of BMT were reclassified as assets or 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 divestment is expected to complete in fourth quarter of 2015.*

8. *The increase was also due to additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction.*

9. *The increase was mainly due to deferred tax provision on the fair value gains from the revaluation of properties in China and Singapore.*

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

	Group	
	As at 30/06/2015 S$'000	**As at 31/12/2014 S$'000**
Amount repayable in one year or less, or on demand:-		
Secured	2,175,919	2,437,125
Unsecured	1,186,935	1,032,034
Sub-Total 1	**3,362,854**	**3,469,159**
Amount repayable after one year:-		
Secured	3,803,816	3,411,491
Unsecured	9,056,443	9,105,168
Sub-Total 2	**12,860,259**	**12,516,659**
Total Debt	**16,223,113**	**15,985,818**
Total Debt less Cash	**12,727,942**	**13,236,421**

As at 30 June 2015, CapitaLand Limited and its treasury vehicles collectively, have available undrawn facilities of approximately $3.10 billion.

Details of any collateral

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

1(c) Consolidated Statement of Cash Flows

	2Q 2015 S$'000	2Q 2014 S$'000	1H 2015 $'000	1H 2014 $'000
Cash Flows from Operating Activities				
Profit after taxation	**609,534**	**628,795**	**822,411**	**919,630**
Adjustments for :				
Amortisation and impairment of intangible assets	548	1,699	1,101	3,320
Allowance/(Write back) for:		-		
- Foreseeable Losses	63,604	(9,038)	63,604	(9,038)
- Doubtful receivables	56	127	(1,442)	211
- Impairment loss on property, plant and equipment	117	(549)	563	601
Gain from bargain purchase	-	-	(1,239)	-
Share-based expenses	8,418	25,051	11,476	33,189
Net change in fair value of financial instruments	705	(294)	(719)	(538)
Depreciation of property, plant and equipment	17,704	15,142	34,835	28,932
Gain on disposal of property, plant and equipment	(65)	(352)	(172)	(348)
Net fair value gain from investment properties	(322,400)	(208,320)	(322,371)	(208,320)
Fair value gain arising from change in use of development projects	(148,377)	-	(207,953)	-
Net loss/ (gain) on disposal/liquidation/dilution of equity investments and other financial assets	15,341	(5,138)	33,951	(24,497)
Share of results of associates and joint ventures	(236,208)	(374,716)	(361,763)	(531,454)
(Gain)/ Loss on repurchase of convertible bonds	(17,922)	1,933	(17,922)	1,933
Interest expense	121,742	107,957	239,847	219,550
Interest income	(10,066)	(14,223)	(20,723)	(31,444)
Taxation	143,810	62,937	194,377	115,350
	(362,993)	**(397,784)**	**(354,550)**	**(402,553)**
Operating profit before working capital changes	**246,541**	**231,011**	**467,861**	**517,077**
Changes in working capital				
Trade and other receivables	(428,789)	137,124	(573,143)	30,272
Development properties for sale	551,604	(146,534)	567,954	(197,654)
Trade and other payables	498,609	62,245	433,943	(11,963)
Restricted bank deposits	(3,836)	(3,929)	(11,759)	(4,087)
	617,588	**48,906**	**416,995**	**(183,432)**
Cash generated from operations	**864,129**	**279,917**	**884,856**	**333,645**
Income tax paid	(97,957)	(101,843)	(122,178)	(138,609)
Net cash generated from Operating Activities	**766,172**	**178,074**	**762,678**	**195,036**
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	151	177	637	307
Purchase of property, plant and equipment	(14,367)	(19,676)	(22,566)	(40,314)
Repayment of loans by/ (Investments in) associates and joint ventures	144,874	55,898	236,423	(45,873)
Repayment from investee companies and other receivables	-	-	-	58,603
Deposits placed for investments	(28,227)	(227,040)	(76,683)	(229,156)
Acquisition/ Development expenditure of investment properties	(145,843)	(290,005)	(214,350)	(382,059)
Proceeds from disposal of investment properties	-	4,213	-	4,213
Proceeds from disposal of associates, joint ventures and other financial assets	151,017	251,871	153,104	1,204,227
Dividends received from associates and joint ventures	134,271	140,262	188,563	230,182
Acquisition of subsidiaries, net of cash acquired	(18,531)	(166,719)	(41,177)	(236,931)
Disposal of subsidiaries, net of cash disposed of	-	1,329	-	1,329
Settlement of hedging instruments	9,473	4,346	1,658	(9,809)
Interest income received	9,762	8,148	18,589	19,571
Net cash generated from/ (used in) Investing Activities	**242,580**	**(237,196)**	**244,198**	**574,290**

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

	2Q 2015 S$'000	2Q 2014 S$'000	1H 2015 $'000	1H 2014 $'000
Cash Flows from Financing Activities				
Proceeds from issue of shares under share option plan	2,279	249	4,327	916
Contributions from non-controlling interests	12,487	-	12,487	-
Repayment of shareholder loans from non-controlling interests	(12,388)	(53,113)	(31,011)	(74,581)
Payment for acquisition of ownership interests in subsidiaries with no change in control	-	(3,012,842)	-	(3,012,842)
Proceeds from issue of perpetual securities	247,870	-	247,870	-
Proceeds from bank borrowings	1,212,960	1,292,829	2,131,540	1,907,749
Repayments of bank borrowings	(1,099,397)	(867,037)	(1,600,703)	(2,368,172)
Proceeds from issue of debt securities	650,000	-	750,000	-
Repayments of debt securities	(944,130)	(165,697)	(1,021,880)	(290,697)
Repayments of finance lease payables	(677)	(946)	(1,366)	(1,895)
Dividends paid to non-controlling interests	(13,734)	(34,263)	(146,904)	(159,368)
Dividends paid to shareholders	(384,069)	(340,648)	(384,069)	(340,648)
Interest expense paid	(126,559)	(116,592)	(255,333)	(244,333)
Bank deposits pledged for bank facility	(25,772)	-	(30,475)	-
Net cash used in Financing Activities	**(481,130)**	**(3,298,060)**	**(325,517)**	**(4,583,871)**
Net increase/ (decrease) in cash and cash equivalents	**527,622**	**(3,357,182)**	**681,359**	**(3,814,545)**
Cash and cash equivalents at beginning of the period	2,899,655	5,842,165	2,706,073	6,288,631
Effect of exchange rate changes on cash balances held in foreign currencies	(9,271)	(21,242)	30,574	(10,345)
Cash and cash equivalents reclassified to asset held for sale	(8,392)	-	(8,392)	-
Cash and cash equivalents at end of the period	**3,409,614**	**2,463,741**	**3,409,614**	**2,463,741**
Restricted cash deposits	85,557	21,781	85,557	21,781
Cash and cash equivalents in the Balance Sheet	**3,495,171**	**2,485,522**	**3,495,171**	**2,485,522**

Cash and cash equivalents at end of the period

The cash and cash equivalents of about $3,495.2 million as at 30/06/2015 included $1,690.4 million in fixed deposits and $267.7 million in project accounts whose withdrawals are restricted to the payment of development projects expenditure.

Cash flows analysis

2Q 2015 vs 2Q 2014

Net cash flow generated from operating activities increased by $588.1 million to $766.2 million as compared to 2Q 2014 mainly due to higher sales collection from development projects in China and Singapore.

The Group generated $242.6 million net cash inflow from investing activities in 2Q 2015 as compared to an outflow of $237.2 million in 2Q 2014. This was mainly due to higher repayments of loans by associates and joint ventures, lower cash used in the acquisition of investments mainly in China as well as lower development expenditure for projects in Singapore, partially offset by the absence of proceeds from disposal of a financial asset in 2Q 2014.

Net cash used in financing activities for 2Q 2015 was lower by $2.82 billion as 2Q 2014 included $3.01 billion payment in relation to the voluntary cash offer for CMA, partially offset by repurchase of convertible bonds.

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

For the period ended 30/06/2015 vs 30/06/2014 – 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 01/04/2015	**6,306,305**	**9,780,527**	**1,195,159**	**17,281,991**	**6,576,683**	**23,858,674**
Total comprehensive income						
Profit for the period		464,000		**464,000**	145,534	**609,534**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(77,146)	**(77,146)**	(26,445)	**(103,591)**
Change in fair value of available-for-sale investments			(1,485)	**(1,485)**	(2,617)	**(4,102)**
Effective portion of change in fair value of cash flow hedges			(25,133)	**(25,133)**	(1,720)	**(26,853)**
Share of other comprehensive income of associates and joint ventures			48,564	**48,564**	37	**48,601**
Total other comprehensive income, net of income tax	-	-	(55,200)	**(55,200)**	(30,745)	**(85,945)**
Total comprehensive income	**-**	**464,000**	**(55,200)**	**408,800**	**114,789**	**523,589**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	2,904	-	-	**2,904**	-	**2,904**
Contributions from non-controlling interests (net)		-	-	**-**	11,853	**11,853**
Issue of perpetual securities by a subsidiary				**-**	247,355	**247,355**
Equity portion of convertible bonds issued		-	10,504	**10,504**	-	**10,504**
Repurchase of convertible bonds		43,817	(115,867)	**(72,050)**	-	**(72,050)**
Dividends paid/payable		(384,069)	-	**(384,069)**	(3,251)	**(387,320)**
Distribution for perpetual securities issued by a subsidiary		(878)	-	**(878)**	(2,862)	**(3,740)**
Share-based payments		-	7,984	**7,984**	41	**8,025**
Total contributions by and distributions to owners	2,904	(341,130)	(97,379)	**(435,605)**	253,136	**(182,469)**
Changes in ownership interests in subsidiaries with no change in control		257	(152)	**105**	(105)	**-**
Share of reserves of associates and joint ventures		-	(38)	**(38)**	-	**(38)**
Others		(1,423)	871	**(552)**	(15)	**(567)**
Total transactions with owners	**2,904**	**(342,296)**	**(96,698)**	**(436,090)**	**253,016**	**(183,074)**
Balance as at 30/06/2015	**6,309,209**	**9,902,231**	**1,043,261**	**17,254,701**	**6,944,488**	**24,199,189**

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

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

For the period ended 30/06/2015 vs 30/06/2014 – 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 01/04/2014	**6,302,874**	**9,666,612**	**465,664**	**16,435,150**	**8,347,299**	**24,782,449**
Total comprehensive income						
Profit for the period		438,720		**438,720**	190,075	**628,795**
Other comprehensive income						
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations			(96,436)	**(96,436)**	(14,999)	**(111,435)**
Change in fair value of available-for-sale investments			(2,532)	**(2,532)**	-	**(2,532)**
Effective portion of change in fair value of cash flow hedges			1,756	**1,756**	(1,146)	**610**
Share of other comprehensive income of associates and joint ventures			(58,423)	**(58,423)**	(3,300)	**(61,723)**
Total other comprehensive income, net of income tax	-	-	(155,635)	**(155,635)**	(19,445)	**(175,080)**
Total comprehensive income	**-**	**438,720**	**(155,635)**	**283,085**	**170,630**	**453,715**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	249			**249**	-	**249**
Conversion of convertible bonds			(1,829)	**(1,829)**	61,985	**60,156**
Repurchase of convertible bonds			(10,225)	**(10,225)**	(22,050)	**(32,275)**
Dividends paid/payable		(340,648)		**(340,648)**	(28,452)	**(369,100)**
Share-based payments			9,163	**9,163**	13,906	**23,069**
Cash settlement of share awards by a subsidiary				**-**	(31,477)	**(31,477)**
Total contributions by and distributions to owners	249	(340,648)	(2,891)	**(343,290)**	(6,088)	**(349,378)**
Changes in ownership interests in subsidiaries with change in control				**-**	181,415	**181,415**
Changes in ownership interests in subsidiaries with no change in control		(615,232)	(27,936)	**(643,168)**	(2,369,605)	**(3,012,773)**
Share of reserves of associates and joint ventures		(5,963)	5,721	**(242)**	(20)	**(262)**
Others		(3,196)	3,296	**100**	2,022	**2,122**
Total transactions with owners	**249**	**(965,039)**	**(21,810)**	**(986,600)**	**(2,192,276)**	**(3,178,876)**
Balance as at 30/06/2014	**6,303,123**	**9,140,293**	**288,219**	**15,731,635**	**6,325,653**	**22,057,288**

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

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

For the period ended 30/06/2015 vs 30/06/2014 – 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 01/04/2015	**6,306,305**	**3,295,106**	**(17,439)**	**286,673**	**29,792**	**9,900,437**
Total comprehensive income						
Profit for the year		362,324				**362,324**
Transactions with equity holders, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	2,904					**2,904**
Dividends paid		(384,069)				**(384,069)**
Equity portion of convertible bonds issued		(572)		13,628		**13,056**
Repurchase of convertible bonds		47,526		(126,713)		**(79,187)**
Share-based payments		-			2,337	**2,337**
Total transactions with owners	**2,904**	**(337,115)**	**-**	**(113,085)**	**2,337**	**(444,959)**
Balance as at 30/06/2015	**6,309,209**	**3,320,315**	**(17,439)**	**173,588**	**32,129**	**9,817,802**
Balance as at 01/04/2014	**6,302,874**	**3,214,117**	**(36,989)**	**287,245**	**39,246**	**9,806,493**
Total comprehensive income						
Profit for the period		291,014				**291,014**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares under the share plans of the Company	249					**249**
Dividends paid		(340,648)				**(340,648)**
Share-based payments					2,906	**2,906**
Total transactions with owners	**249**	**(340,648)**	**-**	**-**	**2,906**	**(337,493)**
Balance as at 30/06/2014	**6,303,123**	**3,164,483**	**(36,989)**	**287,245**	**42,152**	**9,760,014**

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

Issued Share Capital

As at 30 June 2015, the Company's issued and fully paid-up capital (excluding treasury shares) comprises 4,267,723,259 (31 December 2014: 4,258,585,369) ordinary shares. Movements in the Company's issued and fully paid-up share capital were as follows:

	No. of Shares
As at 01/04/2015	4,266,822,202
Issue of new shares under Share Option Plans and payment of directors' fees	901,057
As at 30/06/2015	**4,267,723,259**

Outstanding Options under CapitaLand Share Option Plan

	No. of Shares
As at 01/04/2015	4,706,311
Exercised/Lapsed/Cancelled	(767,945)
As at 30/06/2015	**3,938,366**

Performance Share Plan

As at 30 June 2015, the number of shares comprised in contingent awards granted under the performance share plan ("PSP") which has not been released was 7,030,722 (30 June 2014: 11,724,943).

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 30 June 2015, the number of shares comprised in contingent awards granted under the restricted share plan ("RSP") in respect of which (a) the final number of shares has not been determined, and (b) the final number of shares has been determined but not released, is 9,622,800 (30 June 2014: 11,568,376) and 9,028,114 (30 June 2014: 6,994,801) respectively, of which 1,167,460 (30 June 2014: 1,051,157) shares out of the former and 661,423 (30 June 2014: 245,870) shares out of the latter are to be cash-settled.

Under the RSP, the final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No shares will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be released up to a maximum of 150 percent of the baseline award. From 2014, an additional number of shares of a total value equals to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.

Convertible Bonds

In 2Q 2015, the Company issued $650,000,000 2.80 per cent. convertible bonds due 2025. The proceeds from the issuance of convertible bonds were utilised to part fund the repurchase of aggregate principal amount of $905,000,000 of convertible bonds, comprising:

(i) $423,000,000 of principal amount of its $1,200,000,000 2.875 per cent. convertible bonds due 2016;

(ii) $168,250,000 of principal amount of its $1,300,000,000 3.125 per cent. convertible bonds due 2018; and

(iii) $313,750,000 of principal amount of its $1,000,000,000 2.95 per cent. convertible bonds due 2022.

The Company has the following convertible bonds which remain outstanding as at 30 June 2015:

Principal Amount $ million	Final Maturity Year	Conversion price $	Convertible into new ordinary shares
44.00	2016	4.6355	9,491,964
59.25	2018	7.1468	8,290,423
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 559,523,871 (30 June 2014: 570,821,538) representing a 13.1% increase over the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2015.

1(d)(iii) Treasury Shares

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 2Q 2015. As at 30 June 2015, the Company held 6,566,857 treasury shares (30 June 2014: 13,928,946) which represents 0.2% of the total number of issued shares (excluding treasury shares).

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2014, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2015 as follows:

Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*
Improvements to FRSs (January 2014)
Improvements to FRSs (February 2014)

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

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

Please refer to Item 4 above.

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

		Group			
		2Q 2015	2Q 2014	1H 2015	1H 2014
6(a)	EPS based on weighted average number of ordinary shares in issue (in cents)				
	- from continuing operations	10.9	10.3	14.7	13.8
	- from discontinued operation	-	-	-	0.8
	Total	**10.9**	**10.3**	**14.7**	**14.6**
	Weighted average number of ordinary shares (in million)	4,267.4	4,258.2	4,264.4	4,256.1
6(b)	EPS based on fully diluted basis (in cents)				
	- from continuing operations	10.0	10.0	13.8	13.1
	- from discontinued operation	-	-	-	0.7
	Total	**10.0**	**10.0**	**13.8**	**13.8**
	Weighted average number of ordinary shares (in million)	4,874.0	4,478.2	4,754.8	4,750.2

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

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
NAV per ordinary share	$4.04	$3.94	$2.30	$2.32
NTA per ordinary share	$3.93	$3.83	$2.30	$2.32

8 Review of the Group's performance

Group Overview

S$M	2Q 2015	2Q 2014	Variance (%)	1H 2015	1H 2014	Variance (%)
Revenue	1,031.3	875.3	17.8	1,946.3	1,487.9	30.8
Earnings before Interest and Tax ("EBIT")	875.1	799.7	9.4	1,256.6	1,219.2	3.1
Finance costs	(121.7)	(108.0)	12.8	(239.8)	(219.6)	9.2
PBT	753.3	691.7	8.9	1,016.8	999.6	1.7
PATMI - continuing operations	464.0	438.7	5.8	625.3	586.1	6.7
PATMI - discontinued operation(1)	-	-	-	-	35.4	(100.0)
Total PATMI	464.0	438.7	5.8	625.3	621.5	0.6
Operating PATMI(2)	256.1	136.5	87.6	411.3	292.2	40.8

(1) Discontinued operation consists of profit contribution from Australand as well as gain from sale of 39.1% stake in Australand of $19.1 million in 1H 2014.

(2) Operating PATMI for 2Q 2015 and 1H 2015 included fair value gains of $125.9 million and $170.6 million respectively which arose from the change in use of three development projects in China, namely The Paragon Tower 5 and 6 ($110.3 million) and Raffles City Changning Tower 3 ($15.6 million) in 2Q 2015 as well as Ascott Heng Shan ($44.7 million) in 1Q 2015, from construction for sale to leasing as investment properties. These projects are located at prime locations in Shanghai and the Group has changed its business plan to hold these projects for long term use as investment properties.

2Q 2015 vs 2Q 2014

For the quarter under review, the Group achieved a revenue of $1,031.3 million and a PATMI of $464.0 million.

Revenue

Revenue increased by 17.8% in 2Q 2015 on the back of higher contribution from development projects in China, partially offset by lower revenue from development projects in Singapore and Vietnam. The higher revenue from China was mainly attributable to a fair value gain of $148.4 million arising from the change in use of a development project in China, The Paragon (Tower 5 and 6), to investment property as well as the consolidation of CL Township's revenue as it became a subsidiary of the Group in March 2015. In addition, the Group also recorded higher rental revenue from its shopping mall and serviced residence businesses during the quarter.

Collectively, the two core markets of Singapore and China accounted for 79.6% (2Q 2014: 72.9%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $875.1 million in 2Q 2015 (2Q 2014: $799.7 million). The improvement in 2Q 2015 EBIT was mainly due to the fair value gains in respect of The Paragon (Tower 5 and 6) and Raffles City Changning, a gain from the repurchase of convertible bonds, improved operating performance from malls in Singapore and China, serviced residence business as well as higher revaluation gains from investment properties. The increase was partially offset by a provision for foreseeable losses in respect of a development project in China, International Trade Centre in Tianjin, amounting to $63.6 million (2Q 2014: write back of $11.3 million) and a loss of $10.8 million mainly from the divestment of a shopping mall in Japan.

In terms of revaluation of investment properties, the Group recorded a net fair value gain of $434.5 million in 2Q 2015 (2Q 2014: $427.3 million), of which $322.4 million (2Q 2014: $208.3 million) was recorded by subsidiary projects and were recognised in other operating income while $112.1 million (2Q 2014: $219.0 million) was recorded through share of results of associates and joint ventures.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 81.8% of total EBIT (2Q 2014: 78.6%). Singapore EBIT was $356.5 million or 40.7% of total EBIT (2Q 2014: $387.6 million or 48.5%) while China EBIT was $360.4 million or 41.1% of total EBIT (2Q 2014: $241.1 million or 30.1%).

Singapore EBIT decreased mainly due to lower fair value gains on revaluation of investment properties and lower development profit from residential projects, partially mitigated by higher contribution from shopping malls and a gain on repurchase of convertible bonds. EBIT from China increased mainly due to higher fair value gains on revaluation of properties, partially offset by a provision for foreseeable losses.

PATMI

Overall, the Group achieved a PATMI of $464.0 million in 2Q 2015, which was 5.8% higher than 2Q 2014 PATMI of $438.7 million. The higher PATMI was mainly attributable to the fair value gains from The Paragon (Tower 5 and 6) and Raffles City Changning, partially offset by provision for foreseeable losses. The Group's operating PATMI was $256.1 million which was 87.6% higher than the same quarter last year on account of gain arising from change in use of development properties for sale to investment properties.

1H 2015 vs 1H 2014

The Group achieved a revenue of $1,946.3 million and a PATMI of $625.3 million in 1H 2015.

Revenue

Revenue from our four strategic business units were higher in 1H 2015, leading to an overall 30.8% increase in Group's revenue. The main drivers for the revenue growth were the fair value gains of $208.0 million arising from the change in use of The Paragon (Tower 5 and 6) and Ascott Heng Shan to investment properties, consolidation of CL Township's revenue with effect from March 2015, higher contribution from our development projects in Singapore as well as higher rental revenue from our shopping mall and serviced residence businesses.

Singapore accounted for 43.7% (1H 2014: 48.9%) of the Group's revenue while China operations accounted for 35.6% (1H 2014: 22.7%). Together they accounted for 79.3% (1H 2014: 71.6%) of the Group's revenue.

EBIT

The Group achieved an EBIT of $1,256.6 million, which was 3.1% higher than 1H 2014, on account of the fair value gains in respect of The Paragon (Tower 5 and 6), Ascott Heng Shan and Raffles City Changning and improved operating performance from malls in Singapore and China, serviced residence business and a gain from the repurchase of convertible bonds. The increase was partially offset by lower contribution from development projects in Singapore, China and Vietnam, provision for foreseeable losses in respect of International Trade Centre project in China and divestment losses arising mainly from the sale of a shopping mall in Japan.

In terms of revaluation of investment properties, the Group recorded a fair value gain of $440.8 million in 1H 2015 (1H 2014: $448.1 million) at EBIT level. The fair value gains from investment properties in Singapore, Malaysia, Europe and Vietnam were lower, but these were partially mitigated by higher fair value gains from our investment properties in China, Australia and Japan.

EBIT Contribution by Geography

Singapore and China markets remain the key contributors to EBIT, accounting for 82.7% of total EBIT from continuing operations (1H 2014: 80.3%). Singapore EBIT was $555.4 million or 44.2% of total EBIT (1H 2014: $573.4 million or 47.0%) while China EBIT was $483.3 million or 38.5% of total EBIT (1H 2014: $405.9 million or 33.3%).

Singapore EBIT decreased mainly due to lower fair value gains from revaluation of investment properties and lower development profit, partially mitigated by higher contribution from shopping malls and a gain from the repurchase of convertible bonds. EBIT from China increased mainly due to higher fair value gains on revaluation of properties and higher contribution from shopping malls, partially offset by a provision for foreseeable losses for International Trade Centre in Tianjin as well as absence of a reversal of costs accrual upon finalisation of a project in 1H 2014.

Finance Costs

Finance costs increased mainly due to the increase in the level of borrowings in 1H 2015 as compared to the corresponding period last year. The average cost of borrowings in 1H 2015 was 3.5% (1H 2014: 3.4%).

PATMI

Overall, the Group achieved a PATMI from continuing operations of $625.3 million in 1H 2015, which was 6.7% higher than 1H 2014 PATMI of $586.1 million. The higher PATMI was mainly attributable to higher fair value gains on revaluation of properties, contribution from the increased stake in CMA, partially offset by provision for foreseeable losses as compared to write back in 1H 2014 and higher divestment losses.

Including PATMI from discontinued operation recorded in 1H 2014, the Group's total PATMI for 1H 2015 was 0.6% higher than 1H 2014 total PATMI of $621.5 million. The Group's operating PATMI for 1H 2015 of $411.3 million was 40.8% higher than that of the same period last year, primarily due to gains on change in use of development properties for sale to investment properties.

Segment Performance

CL Singapore

S$M	2Q 2015	2Q 2014	Variance (%)	1H 2015	1H 2014	Variance (%)
Revenue	318.8	317.8	0.3	662.7	513.8	29.0
EBIT	202.0	241.0	(16.2)	302.0	358.9	(15.9)

In 2Q 2015, CL Singapore sold 37 residential units (2Q 2014: 161 units), bringing the total number of residential units sold in 1H 2015 to 106 units (1H 2014: 195 units) with a sales value of $303 million (1H 2014: $340 million).

The increase in revenue for 2Q 2015 and 1H 2015 as compared to the same periods last year was mainly due to higher sales from Urban Resort Condominium, revenue contribution from Sky Vue, higher rental income from CapitaLand Commercial Trust (CCT), Bedok Mall and CapitaGreen which obtained Temporary Occupation Permit ("TOP") in December 2014. The increase was partially offset by lower sales from The Interlace as well as lower progressive revenue recognition for Sky Habitat and Bedok Residences as both projects obtained TOP in 2Q 2015.

The decrease in EBIT for 2Q 2015 and 1H 2015 against the same periods last year was mainly due to lower net revaluation gain from investment properties and lower development profits from residential projects. In addition, 1H 2015 EBIT was impacted by a loss of $18.9 million arising from the dilution of CCT's interest in Quill Capita Trust in Malaysia.

CL China

S$M	2Q 2015	2Q 2014	Variance (%)	1H 2015	1H 2014	Variance (%)
Revenue	342.7	153.8	122.9	546.4	235.8	131.8
EBIT	265.7	114.3	132.4	354.1	245.2	44.4

In 2Q 2015, CL China sold 2,764 units with a sales value of RMB 5.7 billion or approximately $1.2 billion, an increase of 313% in terms of sales value as compared to 2Q 2014 (2Q 2014: 1,054 units; RMB 1.4 billion).

For the six months ended June 2015, 4,070 units were sold at a value of RMB 7.8 billion or approximately $1.7 billion (1H 2014: 2,231 units; RMB 2.7 billion), a threefold increase in terms of sales value. The sales were mainly from The Paragon and Lotus Mansion in Shanghai, Dolce Vita in Guangzhou, Riverfront in Hangzhou, The Metropolis in Kunshan and La Botanica in Xian.

In 2Q 2015, CL China handed over 702 units to home buyers (2Q 2014: 4,985 units, of which 2,184 units were from CL Township projects which were equity accounted). The units handed over were mainly from New Horizon in Shanghai which was completed during the quarter. Including 1,109 units handed over in 1Q 2015, CL China delivered a total of 1,811 units in 1H 2015 (1H 2014: 5,540 units).

Revenue for CL China in 2Q 2015 and 1H 2015 was higher than previous corresponding periods mainly due to gains recognised from the change in use of development properties for sale to investment properties of $148.4 million and $208.0 million respectively, in respect of The Paragon (Tower 5 and 6) in 2Q 2015 and Ascott Heng Shan in 1Q 2015. The revenue was further boosted by the consolidation of CL Township with effect from March 2015, following the completion of the acquisition of the remaining 60% equity interest in CL Township.

EBIT for 2Q 2015 and 1H 2015 was higher mainly due to the gains recognised from change of the use in respect of The Paragon (Tower 5 and 6), Ascott Heng Shan and Raffles City Changning. The increase was partially impacted by impairment losses made for International Trade Centre in Tianjin, lower share of results from associates, marketing expenses incurred for new residential projects launches and pre-opening expenses for new commercial assets. EBIT for 1H 2014 included reversal of cost accrual upon finalisation for a project.

CMA

S$M	2Q 2015	2Q 2014	Variance (%)	1H 2015	1H 2014	Variance (%)
Revenue	167.8	178.6	(6.0)	349.3	347.6	0.5
EBIT	289.2	314.8	(8.1)	425.9	441.2	(3.5)

Revenue for 2Q 2015 was lower than 2Q 2014 by 6.0% due to the lower progressive revenue recognition from Bedok Residences. However, revenue for 1H 2015 at $349.3 million was higher than 1H 2014 by 0.5% due to higher rental revenue from Bedok Mall and Westgate and higher property management fees from China.

EBIT for 2Q 2015 and 1H 2015 were 8.1% and 3.5% lower respectively. This was largely due to the portfolio loss arising from the divestment of a mall in Japan and lower revaluation gains from investment properties. Excluding portfolio losses and revaluation gains, CMA's EBIT improved by 23.2% and 15.5% to $161.6 million and $299.6 million in 2Q 2015 and 1H 2015 respectively. This was largely due to improved contributions from Bedok Mall and Westgate, better performance from the portfolio of malls in China and lower staff costs as compared to the corresponding periods.

Ascott

S$M	2Q 2015	2Q 2014	Variance (%)	1H 2015	1H 2014	Variance (%)
Revenue	182.6	175.0	4.4	349.8	327.3	6.9
EBIT	98.0	113.5	(13.7)	144.4	158.4	(8.8)

In 2Q 2015, Ascott secured contracts to manage 13 properties in Vietnam, Malaysia, United Arab Emirates, China, Indonesia, Thailand and Oman. This increased Ascott's portfolio to more than 41,000 units, cementing its position as the world's largest international serviced residence owner and operator. In addition, Ascott opened 3 more properties in China, Indonesia and Hong Kong.

Revenue for 2Q 2015 and 1H 2015 were higher mainly due to higher fee income and contribution from properties acquired in 2014.

EBIT for 2Q 2015 and 1H 2015 were lower mainly due to lower fair value gains from investment properties, partially mitigated by higher fee income and contribution from properties acquired in 2014.

Corporate and Others

S$M	2Q 2015	2Q 2014	Variance (%)	1H 2015	1H 2014	Variance (%)
Revenue	19.3	50.2	(61.5)	38.1	63.3	(39.9)
EBIT	20.2	16.1	25.4	30.2	15.5	95.0

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

The lower revenue in 2Q 2015 and 1H 2015 was attributable to lower sales from The Vista and Mulberry Lane projects in Vietnam.

EBIT for 2Q 2015 was higher mainly due to the gain on repurchase of convertible bonds, partially offset by lower revenue and absence of a write back of provision for a project in Bahrain in 2Q 2014. 1H 2015 EBIT was higher mainly due to the gain on repurchase of convertible bonds, portfolio gains as compared to a loss in 1H 2014 and lower administrative expenses, partially offset by the absence of a forfeiture deposit and write back of provision in 1H 2014.

9 Variance from Prospect Statement

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

10 Commentary of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

GROUP OVERALL PROSPECTS

Singapore

The Group expects the impact of the Singapore government's cooling measures and concerns over interest rate hikes to continue to weigh on the private residential market. However, with a resilient economy and policies to support population growth, the demand for new homes remains positive over the long-term. The sites at Cairnhill Road and Victoria Park Villas will be launch-ready in early 2016. The Group continues to source for well-located sites to build up its pipeline in Singapore.

While the outlook for office occupancy remains relatively stable over the next six months, the wave of new office completions from 2H 2016 onwards is expected to affect rental and occupancy rate in the medium term. As at 30 June 2015, CapitaGreen's leasing commitment stood at 80.4%.

The Group also has a 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. These malls are expected to provide a steady stream of income.

China

Residential sales in China are expected to improve steadily. In 2H 2015, the Group has about 5,800 units launch-ready subject to regulatory approvals and market conditions. This includes two new residential projects, the Summit Era in Ningbo and Vermont Hills in Beijing. The Group is also expected to complete approximately 6,500 units in 2H 2015. Handover of Lakeside in Wuhan, Parc Botanica in Chengdu and New Horizon in Shanghai have commenced in 1H 2015. There are also new projects expected to commence handover upon completion in 2H 2015 which includes Lotus Mansion in Shanghai and Vista Garden in Guangzhou.

The Group's four operating Raffles City developments in Shanghai, Beijing, Chengdu and Ningbo are expected to continue generating stable leasing income. The other four Raffles City developments are on-track for completion. Subject to regulatory approvals and market conditions, the SOHO units of Raffles City Hangzhou and Phase 3 apartment units of Raffles City Shenzhen are expected to be launched for strata-sale in 2H 2015. Raffles City Changning Tower 3 has attained strong pre-leasing and is on-track to commence its operations in 2H 2015. Raffles City Chongqing is expected to start main construction works in 2H 2015.

The Group's China malls are expected to benefit from China's push for domestic consumption as a major pillar of economic growth. Going forward, the Group will continue to improve the performance of existing malls and focus on opening new malls in China.

The Group will further strengthen its presence in the five-city clusters within China by seeking opportunities to acquire new sites to boost its development pipeline in China, including undertaking strategic acquisitions of land bank and real estate assets.

Serviced Residence

CapitaLand looks to grow its global platform through Ascott. Ascott Residence Trust made its first foray into the United States by acquiring a property in Times Square of New York. As part of the strategy to accelerate growth in fee based income, Ascott will also be managing properties acquired by a 50:50 joint venture set up with Qatar Investment Authority, which has an aggregate capital of up to US$600 million. Notwithstanding a challenging operating environment and subdued global economic outlook, the Group is positive that the serviced residence's operations will remain resilient and healthy through the extended stay business model and well-diversified global presence in key gateway cities.

Conclusion

While the Group remains focused on Singapore and China as core markets, it is exploring opportunities to expand in growth markets such as Vietnam, Indonesia and Malaysia. The Group is set to scale up with a target of six new funds up to $10 billion in assets by 2020. This is part of the plan to grow its assets under management through funds, joint ventures, listed real estate investment trusts (REITs) and various capital management platforms.

Capital recycling continues to be an integral part of CapitaLand's overall strategy. In 2015, the Group has announced the divestment of its 30% stake in PwC building, Bedok Mall to CapitaLand Mall Trust as well as certain serviced residences in Australia and Japan to Ascott Residence Trust.

CapitaLand has built significant scale across diversified asset classes and strong expertise in integrated developments, shopping malls, serviced residences and capital management. Coupled with the use of technology, CapitaLand is well-positioned for future growth.

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 30 June 2015 and for the six months ended on that date, to be false or misleading in any material aspect.

On behalf of the Board

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

15 Segmental Revenue and Results – Continuing operations

15(a)(i) By Strategic Business Units (SBUs) – 2Q 2015 vs 2Q 2014

	Revenue			Earnings before interest & tax		
	2Q 2015 S$'000	2Q 2014 S$'000	Variance %	2Q 2015 S$'000	2Q 2014 S$'000	Variance %
Continuing operations						
CapitaLand Singapore [1]	318,830	317,803	0.3	202,015	240,957	(16.2)
CapitaLand China	342,745	153,758	122.9	265,700	114,347	132.4
CapitaLand Mall Asia	167,804	178,586	(6.0)	289,220	314,828	(8.1)
Ascott	182,624	174,973	4.4	97,977	113,469	(13.7)
Corporate and Others [2]	19,311	50,170	(61.5)	20,173	16,088	25.4
Total	**1,031,314**	**875,290**	**17.8**	**875,085**	**799,689**	**9.4**

15(a)(ii) By Strategic Business Units (SBUs) – 1H 2015 vs 1H 2014

	Revenue			Earnings before interest & tax		
	1H 2015 S$'000	1H 2014 S$'000	Variance %	1H 2015 S$'000	1H 2014 S$'000	Variance %
Continuing operations						
CapitaLand Singapore [1]	662,675	513,833	29.0	301,988	358,894	(15.9)
CapitaLand China	546,445	235,766	131.8	354,133	245,179	44.4
CapitaLand Mall Asia	349,318	347,607	0.5	425,928	441,234	(3.5)
Ascott	349,823	327,319	6.9	144,424	158,398	(8.8)
Corporate and Others [2]	38,050	63,337	(39.9)	30,161	15,466	95.0
Total	**1,946,311**	**1,487,862**	**30.8**	**1,256,634**	**1,219,171**	**3.1**

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

15(b)(i) By Geographical Location – 2Q 2015 vs 2Q 2014

	Revenue			Earnings before interest & tax		
	2Q 2015 S$'000	2Q 2014[1] S$'000	Variance %	2Q 2015 S$'000	2Q 2014[1] S$'000	Variance %
Continuing operations						
Singapore	406,404	434,100	(6.4)	356,517	387,619	(8.0)
China [1]	414,334	203,687	103.4	360,352	241,056	49.5
Other Asia [2]	116,663	141,937	(17.8)	99,743	116,709	(14.5)
Europe & Others[3]	93,913	95,566	(1.7)	58,473	54,305	7.7
Total	**1,031,314**	**875,290**	**17.8**	**875,085**	**799,689**	**9.4**

15(b)(ii) By Geographical Location – 1H 2015 vs 1H 2014

	Revenue			Earnings before interest & tax		
	1H 2015 S$'000	1H 2014 S$'000	Variance %	1H 2015 S$'000	1H 2014 S$'000	Variance %
Continuing operations						
Singapore	850,361	727,831	16.8	555,360	573,406	(3.1)
China [1]	692,050	337,867	104.8	483,339	405,904	19.1
Other Asia [2]	232,676	249,629	(6.8)	142,301	176,417	(19.3)
Europe & Others[3]	171,224	172,535	(0.8)	75,634	63,444	19.2
Total	**1,946,311**	**1,487,862**	**30.8**	**1,256,634**	**1,219,171**	**3.1**

Note :
[1] China including Hong Kong.
[2] Excludes Singapore and China and includes projects in GCC.
[3] 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.

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.

19 Subsequent Events

(i) On 2 July 2015, Ascott Residence Trust made the first foray into the United States of America with the acquisition of the 411-key Element New York Times Square West Hotel located in midtown Manhattan for US$163.5 million (approximately $220.7 million);

(ii) On 13 July 2015, Ascott entered into a 50:50 joint venture (JV) with Qatar Investment Authority (QIA) to set up a US$600 million (approximately $809 million) serviced residence fund. The fund's initial focus is on Asia Pacific and Europe regions. The Ascott-QIA JV is part of the Group's efforts to further grow its fund management business and pursue market opportunities with a stable of blue chip capital partners;

(iii) On 14 July 2015, the Group's wholly owned subsidiaries, Brilliance Residential Pte. Ltd. and CMA Singapore Investments (3) Pte Ltd, entered into a sale and purchase agreement with HSBC Institutional Trust Services (Singapore) Limited, the trustee of CMT for the sale of the entire unitholding interest of Brilliance Mall Trust, which owns Bedok Mall. This divestment is based on an agreed value of Bedok Mall of $780.0 million and other net assets of Brilliance Mall Trust of about $3.1 million. The transaction, which is conditional upon CMT unitholders' approval, among other things, is expected to be completed by the fourth quarter this year; and

(iv) On 3 August 2015, CapitaLand announced that its wholly owned serviced residence business unit, Ascott is leading a consortium to invest $67.7 million (US$50 million) in Tujia.com International (Tujia), an online apartment sharing platform in China, to boost its digital offerings. Ascott will also form a joint venture with Tujia with an initial capital of $54.2 million (US$40 million) to operate and franchise serviced apartments in China.

BY ORDER OF THE BOARD

Michelle Koh
Company Secretary
5 August 2015